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Doc#: 0531834078 Fee: \$276.50
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Cook County Recorder of Deeds
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This Agreement was prepared by and
after recording return to:
Steven J. Holler, Esq.
City of Chicago Law Department
Room 600
121 North LaSalle Street
Chicago, IL 60602

108 NORTH STATE STREET REDEVELOPMENT AGREEMENT

This 108 North Street Redevelopment Agreement (this "Agreement") is made as of OCTOBER 15, 2005 by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Block 37, L.L.C., a Delaware limited liability company (together with its permitted successors and permitted assigns under this Agreement, the "Developer"). Block 37, L.L.C., The Mills Corporation, a Delaware corporation ("TMC"), and The Mills Limited Partnership, a Delaware limited partnership ("TMLP"), are sometimes referred to hereinafter collectively as the "Developer Parties." Capitalized terms not otherwise defined herein shall have the meaning set forth in Section 2.

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. City Council Authority: To induce redevelopment pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq. (the "Act"), the City Council of the

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City (the "City Council") adopted the following ordinances on February 7, 1997: (1) "An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the Expanded North Loop Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Expanded North Loop Redevelopment Project Area as a Tax Increment Financing District"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Expanded North Loop Redevelopment Project Area." The redevelopment project area referred to above, currently known as the Central Loop Redevelopment Project Area (the "Redevelopment Area") is legally described in Exhibit A hereto.

C. The Phase I Project. The development site is located in the Redevelopment Area at 108 North State Street. It comprises nearly a full city block, bounded by N. State Street on the east, W. Randolph Street on the north, N. Dearborn Street on the west, and W. Washington Street on the south, and contains approximately 119,558 sq. ft.. The development site also includes certain property extending into, under and over existing public rights of way, the rights to which shall be vacated pursuant to ordinance and in accordance with, subject to the terms of, and as shown on the Plat of Vacation (the "Vacated Property"). The legal description for the land comprising the development site is attached hereto as Exhibit B (such land, together with the Vacated Property, the "Land"). On the Initial Closing Date, the City will convey the Land (other than the Vacated Property, the rights to which shall be transferred by the recording of the vacation ordinance and Plat of Vacation) by quitclaim deed to the Developer or, as relates to the CTA Parcel, to the Developer's designee 108 L.L.C., if so directed, in exchange for the Initial Payment..

The construction project required under this Agreement consists of a mixed-use project that will include as depicted in the plans and elevations attached as Exhibit C, (1) the below grade improvements, which include, among other things, certain improvements for a new four-level below-grade CTA subway station facility and an airport-check-in facility (the "CTA Station" and the "Airport Check-In Facility", respectively), with the portion of such improvements that are to be designed and constructed by the Developer or its Affiliate constituting the "Mills Portion of the CTA Project" as such term is defined in the CTA/Mills Agreement), an underground parking facility including access ramps, that will provide for approximately 300 valet parking spaces (the "Parking Facility"), an underground loading dock facility, including access ramp, that will provide six loading berths, (the "Parking Facility" and the "Loading Dock Facility", respectively) and a new and expanded pedestrian walkway, (the "Pedway"), (collectively, the "Below Grade Improvements"), (2) a four or five story, retail/entertainment building complex, having not less than 400,000 square feet of gross building area (the "Base Building"), (3) a building, to be located at the corner of N. Dearborn Street and W. Washington Street, the bottom four or five floors of which will have approximately 100,000 square feet of gross building area and which connect to the Base Building at various points (the "CBS Base Building"), on top of which there shall be an office tower having not less than an additional 100,000 square feet of gross building area (such additional space above the CBS Base Building, the "Office Project"), (4) the construction of the other infrastructure improvements necessary to support the construction of subsequent Applicable Project Components above the Base Building and the CBS Building (the "APC Infrastructure"), and (5) improvements to the adjoining sidewalks with new streetscaping consistent with the State Street streetscaping design (items (1) through (5), collectively the "Phase I Project," provided, however, that upon the conveyance of the CTA Parcel, the CTA Station and the Airport Check-In Facility to the CTA, the defined term "Phase I Project" shall no longer include such portion of the Phase I Project. The

Construction of the Phase I Project is expected to start no later than December 1, 2005 and be Substantially Complete no later than March 1, 2009.

Several site constraints and Phase I Project requirements impact the development of the site. First, a 4,000 square foot Commonwealth Edison ("ComEd") substation is located on the Dearborn Street side of the site (the "Substation"). The Substation is a permanent, working facility needed to provide power for downtown. As part of the Phase I Project, the Substation must be built around. The Developer and ComEd will also enter into an agreement relating to the granting of certain easements in favor of the other and other pertinent matters, the form of which agreement shall be subject to the reasonable approval of the DPD.

Second, the Phase I Project includes several unique development requirements. An existing basement-level pedway approximately twelve feet wide runs east-west under the center of the development site for the full 325' width of the site connecting to the existing below-grade pedway system adjacent to the Land at its eastern and western boundaries, creating a difficult service corridor function for all the uses on the block. This pedway will be replaced, enlarged and improved with the Pedway. Except during construction of the Phase I Project, the Pedway will be open 24 hours a day, 7 days a week, and will also connect and provide access to the new CTA Station and Airport Check-In Facility to be constructed as part of the Below Grade Improvements. The Base Building will also include at least 16,000 square feet of ground level space open to the public. The terms and conditions of the operation, use and public availability of the ground level open space and the Pedway shall be governed by the Planned Development.

Third, the Phase I Project obligates the Developer and the CTA to cooperate in building the new CTA Station on and under the development site. In connection with the new CTA Station, there will also be constructed the Airport Check-In Facility that will provide the facilities for new airport express service, which is expected to be implemented by the CTA in the future and will include, among other things, construction of new tracks that will cross diagonally northwest to southeast underneath the site to connect to the existing Red (State Street) Line and Blue (Dearborn Street) Line. Due to the new CTA Station's configuration, the Developer will need to incorporate a triangular shaped Parking Facility which spans two lower levels instead of one; the Loading Dock Facility which can only be located on one side of the tracks but must serve the entire block; and service corridors which must navigate around the new CTA Station. The CTA/Mills Agreement specifies the Developer's (or its designee's, 108 L.L.C.'s) obligations and the CTA's obligations in connection with the construction of the CTA Station and the Airport Check-In Facility and nothing herein shall be construed to expand, limit, diminish or amend the CTA/Mills Agreement with respect to such construction obligations. The City has reviewed and approved the form of the CTA/Mills Agreement prior to the date hereof.

Fourth, in constructing the Base Building, and in accordance with the Planned Development, the Developer will be required to either construct a green roof on 75% of the square footage of such Base Building's net roof space or, in the alternative, construct a green roof on 50% of the square footage of such Base Building's net roof space and cause the Base Building to be constructed so as to be LEED certified.

D. Phase II Project Components. In addition to the Phase I Project, it is anticipated that one or more additional phases of development, the timing of which may proceed separately from other

components thereof, will also result in the construction of : (i) a residential tower having not less than 150,000 square feet of gross building area (the "Residential Project"), on top of the Base Building at the corner of N. State Street and W. Randolph Street, (such development pad, the "Northeast Pad") and (iii) a hotel tower having not less than 135,000 square feet of gross building area (the "Hotel Project"), on top of the Base Building at the corner of N. Dearborn Street and W. Randolph Street (the "Northwest Pad"). The Northeast Pad and the Northwest Pad are sometimes referred to hereinafter individually as a "Pad" and collectively as the "Pads." It is acknowledged that the locations of the Residential Project and the Hotel Project on their respective Pads reflect the Developer's current development plan. The Developer shall have the right, subject to the Planned Development and the terms of this Agreement, to substitute, consolidate, and/or reconfigure the aforementioned uses between and among the Pads. For example only, and without limitation, the Developer may elect to locate the Hotel Project on the Northeast Pad and the Residential Project on the Northwest Pad.

Maximum development limits for the Phase I Project and/or any APC shall be governed by the Planned Development. In accordance with the Planned Development: the Office Project will have a green roof on 100% of the net roof area; (ii) the residential tower must either have a green roof on 100% of the net roof area or be constructed so as to be LEED certified; and (iii) the hotel tower must either have a green roof on 100% of the net roof area or must be constructed so as to be LEED certified. In addition, 10% of the units in such Residential Project must be affordable pursuant to the City's Affordable Housing Ordinance. Such ordinance requires rental units to be affordable to households earning up to 60% of the Chicago Primary Metropolitan Statistical Area median income ("AMI") and for-sale units to be affordable to households earning up to 100% of the Chicago AMI. Per the City's Affordable Housing Ordinance, the Developer may contribute to the Affordable Housing Opportunity Fund in the amount of \$100,000 per otherwise-required unit in lieu of developing the affordable housing units on site. The Office Project, the Residential Project, and the Hotel Project will be subject to this Agreement, and the development requirements set forth in the Planned Development.

E. Redevelopment Plan and Master Plan: The Phase I Project and any Applicable Project Components constructed will be carried out in accordance with this Agreement and the Central Loop Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan"). It is acknowledged and agreed that this Agreement, the Planned Development, the City/CTA Agreement, and the CTA/Mills Agreement govern the development of the Land and together satisfy and represent the results of the master planning process and represent the Final Master Plan otherwise envisioned by that certain Memorandum of Intent dated October 28, 2002, as amended, that resulted from TMC being the successful respondent to a Request For Qualifications issued by the City on January 23, 2002.

F. City Financing: The City is not providing any financial assistance to the Developer for the Phase I Project or any APC under this Agreement.

G. Obligated Parties. Notwithstanding the defined term Developer Parties, neither TMC nor TMLP shall have any independent liability or obligations under this Agreement unless expressly provided herein and the Guaranty.

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:

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer or one or more of the Developer Parties.

"Allocable Infrastructure Cost Amount" shall mean, as to the APC to be developed on the Northeast Pad or the Northwest Pad, as applicable, such APC's allocable share of infrastructure improvement costs incurred by the Developer (and not paid for from CTA Financing) in building out the Phase I Project and necessary to support the subsequent construction of the APC on such Pad. As of the date of this Agreement, and based on the Phase I Project Budgets, the Northeast Pad's Allocable Infrastructure Cost Amount is \$4,316,839, and the Northwest Pad's Allocable Infrastructure Cost Amount is \$2,241,871 as set forth in Exhibit D. Such amounts are subject to adjustment during the construction period for the Phase I Project based on the actual Phase I Project infrastructure costs, as reasonably documented by the Developer.

"APC" or "Applicable Project Component(s)" shall mean, as the context requires, one or more of the applicable project component(s) contemplated under this Agreement (i.e., one or more of the Residential Project or the Hotel Project, as configured or consolidated by Developer), or, as the context requires, any Substitute Development Component, as consistent with the Planned Development.

"APC Certificate" shall mean, with respect to the APC, the certificate of completion issued pursuant to Section 7.01(a) for such APC.

"APC Closing Date" shall mean the date on which the conditions precedent set forth in Section 5 of this Agreement to the Transfer of any APC Property are satisfied. On such date, the APC Property shall be Transferred by the Developer to the Approved Developer.

"APC G/C" shall mean, with respect to each APC, the general contractor or contractors or construction manager or managers retained by the Developer the Approved Developer for such APC.

"APC Minimum Purchase Price" shall mean, for purposes of Section 8.21: (a) with respect to the Residential Project, \$2,475,000; and (b) with respect to the Hotel Project, \$2,200,000.

“APC P&S” shall mean, with respect to each APC, the final construction documents containing a site plan and working drawings and specifications for such APC.

“APC Project Budget” shall mean, with respect to each APC, the budget showing the total cost of the APC by line item, furnished by the Developer or an Approved Developer to DPD, in accordance with Section 3.03 hereof.

“APC Property” shall mean, with respect to each APC, all of the real property development rights, title and ownership interests associated with such APC, including, without limitation: the fee simple interest or leasehold interest in the air space in which the APC will be constructed; all construction, support, ingress, egress and access easements; all rights under any reciprocal easement agreements, common area, shared usage and similar agreements relating to the operation of the APC as part of the mixed-use project; all improvements made to the APC Property; and all other appurtenances to the ownership of the APC.

“APC Purchase Price Payment” shall mean the payment due the City at the time of the Developer’s Transfer of an APC Property to an Approved Developer, or, if the Developer elects in writing to construct the APC itself, at the time of such written election (or, if no such written election occurs, then upon the Developer’s commencement of construction of the APC Property), which shall be: (a) with respect to a sale of development rights for the Northeast Pad, the sum of (i) the product of (A) 27.5% times (B) the first \$9,000,000 of Net Transfer Proceeds, plus (ii) the product of (A) 40.0% times all Net Transfer Proceeds in excess of \$9,000,000, and (b) with respect to a sale of development rights for the Northwest Pad, the sum of (i) the product of (A) 27.5% times (B) the first \$8,000,000 of Net Transfer Proceeds, plus (ii) the product of (A) 40.0% times (B) all Net Transfer Proceeds in excess of \$8,000,000. If development rights for a Substitute Development Component are sold, the APC Purchase Price Payment payable therefrom shall be the product of (A) 40.0% times (B) the Net Transfer Proceeds. If, in lieu of a sale, the initial Transfer occurs through a lease of the development rights rather than a conveyance by deed, resulting in the receipt of rent rather than sales proceeds, then the initial APC Purchase Price Payment applicable to such lease shall be the equivalent percentage (i.e., 27.5% and 40.0%) of the installments of rent paid under such lease and shall be payable within ten (10) business days of when such rent is received by the Developer or an Affiliate of the Developer (net of any lessee payments constituting additional rent paid in reimbursement of actual expenses for real estate taxes, insurance, operating expenses, maintenance and repairs and other similar “pass-through” reimbursement payments). If after an initial lease of such development rights, a sale of such developments rights subsequently occurs, then the provisions above applicable to a sale shall then be applicable. The APC Purchase Price Payment then payable with respect to such Transfer shall be paid to the City from the amounts received by the Developer, or its Affiliate, after credit for the installments of rent received by the City during the term of the lease of the development rights.

“Approved Developer” shall mean, with respect to the Transfer of an APC Property, a developer who (i) has industry-recognized real estate development experience for projects of the size, nature (i.e., office, residential or hotel) and complexity comparable to the APC, (ii) is Not In Violation Of Any Laws, (iii) has secured Committed and Available Financing, (iv) will purchase the APC Property for an arms-length, commercially reasonable price, and (v) is otherwise prepared to close such Transfer and in due course commence construction of a First Class Project, as reasonably determined by DPD and the Corporation Counsel.

"Approved Purchaser" shall mean: (i) any publicly traded real estate investment trust or any private real estate investment trust, foreign pension fund, foreign insurance company or privately held entity with net assets (including net assets of affiliated entities) in excess of \$250 million; (ii) any pension fund or investment fund subject to the requirements of ERISA, or any manager thereof; (iii) any health, welfare or retirement fund of any governmental institution or other entity which would be subject to ERISA but for an exemption in ERISA, or any manager thereof; (iv) any corporation, partnership or other entity that is subject to periodic public financial reporting requirements under any state or federal laws governing securities, banking, or insurance or similar requirements requiring periodic public financial reporting to any governmental agency; (v) any public investment fund, private investment fund or similar entity, regulated by (or specifically exempt from regulation under) federal or state securities laws, whose invested equity funds, equity funds held pending investment or funds subject to capital calls exceed \$250 million, or any manager, general partner or managing member thereof; and (vi) the lender providing the Lender Financing, or any successor entity providing such Lender Financing. Notwithstanding the foregoing, no person or entity shall be an Approved Purchaser if it (or its principal officers or directors) is in violation of any City laws.

"Approved Tenants" shall mean, with respect to all leases of space in the Base Building in the first three years following the issuance of the Phase I Project Certificate, tenants that satisfy the criteria on Exhibit E attached hereto and made a part hereof. If the issuance of the Phase I Project Certificate is delayed due to the City's failure to process the request for issuance of the certificate in a timely manner after having been provided with all necessary documentation by the Developer, then such three year period shall run from the date on which the Developer has provided all documentation necessary for the City to process such request.

"Base Building Budget" shall mean the budget attached hereto as Exhibit H-1, showing the estimated total cost of the Base Building project by line, furnished by the Developer to DPD in accordance with Section 3.01.

"Base Building MBE/WBE Budget" shall have the meaning set forth in Section 10.03(a). The Base Building MBE/WBE Budget is attached hereto as Exhibit I-1.

"Below-Grade Improvements" shall have the meaning given in Recital C.

"Change Order" shall mean any amendment or modification to the Phase I Project P&S, or an APC P&S, as described in Section 3.04.

"CBS/Office Budget" shall mean the budget attached hereto as Exhibit H-2, showing the estimated total cost of the CBS/Office project by line, furnished by the Developer to DPD in accordance with Section 3.01.

"CBS/Office MBE/WBE Budget" shall have the meaning set forth in Section 10.03(a). The CBS/Office MBE/WBE Budget is attached hereto as Exhibit I-2.

"City/CTA Agreement" shall mean the Intergovernmental Agreement between the City and the CTA dated as of ~~July~~, 2005, which governs the terms of the City's provision of certain tax

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increment financing assistance to fund certain "off-block" improvements to be constructed by the CTA in connection with the CTA Station, as more fully described therein.

"Committed and Available Financing" shall mean evidence of funds that, at the time of Transfer of an APC, shall be ready and available for paying the required acquisition, development and construction costs of an APC, as and when needed, as determined by DPD and the Corporation Counsel, in their reasonable discretion. If an Approved Developer is of a comparable credit worthiness of TMLP, then evidence of funds that fall within the categories set forth in the "Lender Financing" definition (as applied to the Developer and to the APC) shall be deemed acceptable evidence of Committed and Available Financing. The Developer or Approved Developer shall provide such organizational, financing, loan, security and mortgage documents and other written agreements as DPD and the Corporation Counsel, in their reasonable discretion, may request in order to confirm that such funds will be available to fund costs of an APC, as and when incurred and needed.

"Construction Escrow Account" shall mean the escrow account established under the Construction Escrow Agreement.

"Construction Escrow Agreement" shall mean any Construction Escrow Agreement by and among the Developer, the lender providing the Lender Financing (if any), the Phase I Project Construction Manager, Phase I Project G/C and the Title Company (or an affiliate of the Title Company), as escrow agent, which governs the funding of the Phase I Project. Unless the City funds amounts through such Construction Escrow Agreement, the City shall not be a party to such agreement but shall, upon the City's written request, be entitled to copies of any deliveries made to the escrow agent and notices given by the escrow agent.

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

"CTA" shall mean the Chicago Transit Authority, a municipal corporation of the State of Illinois.

"CTA Financing" shall mean the sum of One Hundred Thirty Million One Thousand Six Hundred Dollars (\$130,001,600), which financing shall fund costs of the CTA Portion of the Project, as provided in the CTA/Mills Agreement. Such funds shall be escrowed, deposited, or reserved by the CTA from time to time so as to assure, to the City's satisfaction, that such funds will be disbursed from the Construction Escrow Account, or a separate construction escrow account, in a timely manner to pay for costs of the CTA Portion of the Project during the anticipated 38 month construction period for the Phase I Project (or such shorter period as may be applicable to the CTA Portion of the Project).

"CTA Parcel" shall mean the below grade space within certain horizontal and vertical planes by reference to Chicago City Datum as provided for in the Mills/CTA Development Agreement, together with all rights, title and ownership interests associated with therewith, including, without limitation: all construction, support, ingress, egress and access easements; all rights under any reciprocal easement agreements, common area, shared usage and similar agreements relating to the operation of the CTA Station; all improvements made within the CTA Parcel; and all other appurtenances to the ownership of the CTA Parcel.

"CTA/Mills Agreement" shall mean the Development Agreement dated as of July, 2005 between 108 L.L.C. and the CTA, with a joinder therein by TMLP.

"CTA Portion of the Project" shall have the meaning given such term in the CTA/Mills Agreement.

"Customary Transaction Costs" shall mean the product of (a) fifty percent (0.50) times, (b) the sum of the transfer taxes, title and escrow costs, survey expenses and market rate brokerage commissions (whether payable to Developer or its Affiliate, or to a third party, but not to exceed, in aggregate for all such parties, two percent and one-half percent (2.50%) of the gross sales price), reasonable third party accounting fees and reasonable third party legal fees all to the extent directly attributable to the sale of an APC.

"DBE Budget" shall have the meaning set forth in Section 10.04. The DBE Budget is attached hereto as Exhibit I-3.

"DBE Improvements" shall have the meaning set forth in Section 10.

"DBE Improvements Budget" shall mean the budget attached hereto as Exhibit H-3, showing the estimated total cost of the DBE Improvements project by line, furnished by the Developer to DPD in accordance with Section 3.01.

"Developer" shall mean Block 37, L.L.C., a Delaware limited liability company, and its permitted successors and permitted assigns under this Agreement.

"Developer Termination Event" shall mean an act or omission of the Developer or its Affiliates resulting in a Developer Event of Default relating to: (i) a material and intentional misrepresentation, or fraudulent act or omission, prior to or on the Initial Closing Date to induce the City to convey the Land to the Developer (or, if applicable, the part of the Land comprising the CTA Parcels to its designee 108 L.L.C. as permitted hereunder), (ii) any intentional or material waste to the Phase I Project or any portion thereof; (iii) a breach of the Transfer provisions in Section 8.01 or Section 18.15; (iv) any material breach of Developer's representations, warranties or covenants regarding environmental matters contained in this Agreement, as applicable; (v) the occurrence of any material uninsured casualty event to the Phase I Project improvements, unless the portion of the Phase I Project improvements damaged by such event is restored within a reasonable period of time; (vi) the material misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Phase I Project; or (vii) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by the Developer or the Developer Parties and their Affiliates.

"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.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Final APC Transfer Date" shall mean the date on which the last APC is Transferred, which date may be after the Term of the Agreement has expired.

"Financial Statements" shall mean the financial statements of the Developer, the Developer Parties and any Approved Developer, as applicable, (a) as may be filed from time to time with the Securities and Exchange Commission as part of any annual, quarterly or other filing, such other certified statements as may be provided to Developer's equity investors (if any), or (b) as may be provided to any lender providing Lender Financing (if any) or to any investor providing equity financing, or (c) such other internally-certified balance sheets and income and expense statements as the Developer may prepare, or (d) such other internally-certified financial statements as may be reasonably acceptable to DPD.

"First Class Project" shall mean, with respect to the APC, an office, residential or hotel development constructed and operated by an industry-recognized developer actively engaged in developing and operating such facilities consistent with the first class quality of the mixed-use project. For example, an office tower that would be a First Class Project would be comparable to 130 S. Dearborn (Bank One Plaza), 550 West Adams (USG headquarters) and 555 West Monroe (Quaker headquarters) projects; a residential tower that would be a First Class Project would be comparable to the Park Millennium Condominium or the Lake Shore East condominium projects; a hotel tower that would be a first class project would be comparable to Hyatt Regency or Sheraton hotel project.

"Guaranty" shall mean the payment and performance guaranty to be executed by TMLP, guaranteeing the following: (a) subject to the City and the CTA funding their respective portions of the Phase I Project Costs, and subject to the provisions of Section 18.17, the construction of the Phase I Project until such project is Substantially Complete; (b) until such time as the Developer has closed on Lender Financing from a third party Lender for the construction of the Phase I Project (and after such construction loan has closed, but only as to an amount equal to the difference between the construction loan amount available for funding the Phase I Project and the portion of the Phase I Project to be funded by the Developer) the funding of all Lender Financing necessary to construct the Phase I Project; (c) payment of any DBE, MBE, WBE and City resident hiring penalty amounts due under this Agreement with respect to the Phase I Project; (d) payment of the Office Tower Purchase Price when due (and in no event later than December 31, 2008) and payment of the APC Purchase Price Payment upon the Transfer of any APC (or, if the Developer elects in writing to develop the APC itself, upon such written election); and (e) payment of any other amounts due and payable by the Developer under this Agreement prior to the issuance of a Phase I Certificate of Completion. TMLP's payment obligations under the Guaranty shall apply notwithstanding the fact that Developer's insolvency, bankruptcy, or financial condition may otherwise prevent or prohibit the Developer itself from paying or performing the guaranteed obligation. TMLP shall not

have greater rights or defenses under the Guaranty than it would have it had executed a limited joinder to this Agreement for purposes of covenanting to perform such obligations under this Agreement.

"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.

"Initial Closing Date" shall mean the date on which the City conveys the Land to the Developer (or, if so directed, a portion of the ownership interest therein to a designee of the Developer as permitted hereunder).

"Initial Payment" shall mean the sum of \$3,100,000, which shall be payable by the Developer to the City on the Initial Closing Date.

"Intra-Company Transfer" shall mean and include: (a) the transfer of the Phase I Project Property or any APC Property by Developer to an Affiliate for the purpose of owning, developing, constructing, financing, leasing, operating and/or managing the Phase I Project Property or the APC Property; (b) transfers of equity or other ownership interests in the Developer, TMC or TMLP, so long as the Developer, TMC, TMLP or one of their Affiliates is the general partner or managing member of the entity to which such equity or other ownership interests are transferred and such transfers do not materially impair the ability of the Developer to complete the Phase I Project or the creditworthiness of the Guaranty; (c) any transaction required to be undertaken by TMC or TMLP under the securities or tax laws of the United States relating to real estate investment trusts and companies, the securities of which are registered with the Securities and Exchange Commission or similar laws of any of the United States in order to bring the Developer, TMC or TMLP into compliance with such laws or maintain TMC's status as a real estate investment trust under the Internal Revenue Code, as amended; (d) after the issuance of a Phase I Project Certificate, or with the prior written consent of DPD, which consent shall not be unreasonably withheld and shall be granted if such transfer does not materially impair the ability of the Developer to complete the Phase I Project or the creditworthiness of the Guaranty, a transfer occurring in connection with the merger, acquisition or consolidation of TMC or TMLP or the sale or substantially all of the assets of TMC or TMLP.

"Lender Financing" shall mean evidence of one or more of the following sources of funds committed and available for paying acquisition, development and construction costs of the Phase I Project: (a) equity funding of Developer or its Affiliates derived from its ordinary course of business or capital contributions of venture partners and investors in Developer or one or more of its Affiliates; (b) funds obtained from regular or extraordinary lines of credit or borrowings from banks or other financial institution with whom Developer or its Affiliates do business; (c) funds derived from capital market transactions such as issuance of securities, financial instruments, evidences of indebtedness and asset securitization; (d) secured loans collateralized by mortgage and other security documentation, including a mortgage on all or portions of the Phase I Project; and (e) any refinancing, or other combination of any of the foregoing. The Developer shall provide such organizational, financing, loan, security and mortgage documents and other written agreements as

DPD and the Corporation Counsel, in their reasonable discretion, may request in order to confirm that such funds are ready and available to fund costs of the Phase I Project as and when incurred.

"MBE(s)" shall have the meaning set forth in Section 10.03(b)(ii).

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

"Net Transfer Proceeds" shall mean the gross proceeds and consideration (whether paid or received in cash, securities, other non-cash consideration, or other rights or interests paid or provided to the Developer) attributable to the Transfer of any APC Property to an Approved Developer, less (a) the Allocable Infrastructure Cost Amount for such APC, and less (b) Customary Transaction Costs.

"Non-Governmental Charges" shall mean all non-governmental charges, liens, claims, or encumbrances relating to the Developer, any Approved Developer, the Land, the Phase I Project or any APC.

"Not In Violation Of Any Laws" shall mean that the proposed Approved Developer and its owners (a) have not been indicted or convicted of fraud or criminal misconduct (other than a misdemeanor) which indictment or conviction has not been dismissed, overturned or expunged, (b) are not in violation of any federal, state or City laws or regulations, (c) are not in breach of any contractual agreements with the City, and (iv) have submitted such Economic Disclosure Statements and principal profile statements as may then be required for City transactions (it being understood that prior to a Transfer, each proposed Approved Developer shall be required to make the same submissions that it would be required to make if it was an applicant seeking City Council approval for the APC).

"Notice of Proposed Transfer" shall mean a written notice delivered by the Developer to the City in the form of Exhibit F, with all certificates and attachments completed, and a copy of the contract of sale, which shall be delivered to the City promptly upon the Developer's execution of such contract of sale.

"Office Tower Purchase Price Payment" shall mean the payment in the amount of \$4,500,000 due the City at the time of the earliest to occur of (a) if Developer does not construct the Office Project, the Developer's transfer (whether by sale or lease) of the development rights to the Office Project, and (b) if Developer constructs the Office Project, the earlier to occur of (i) the Developer's sale of the Office Project, or (ii) the execution of leases demising, in aggregate, sixty percent (60%) of the aggregate net rentable square footage of the Office Project, and (c) December 31, 2008 (even if the Office Tower has not been constructed, or the development rights to the Office Project been Transferred, by such outside date). If, in lieu of a sale, the Office Project development rights are initially Transferred by lease rather than a conveyance by deed, resulting in the receipt of rent rather than sales proceeds, then the initial Office Tower Purchase Price Payment applicable to such lease shall be the equivalent percentage (i.e., 60%) of the installments of rent paid under such lease and shall be payable within ten (10) business days of when such rent is received by the Developer or an Affiliate of the Developer (net of any lessee payments constituting additional rent paid in reimbursement of actual expenses for real estate taxes, insurance, operating expenses, maintenance and repairs and other similar "pass-through" reimbursement payments). If after an

initial lease of such development rights, a sale of such developments rights subsequently occurs, then the provisions above applicable to a sale shall then be applicable. The Office Tower Purchase Price Payment then payable with respect to such Transfer shall be paid to the City from the amounts received by the Developer, or its Affiliate, after credit for the installments of rent received by the City during the term of the lease of the development rights, until the entire \$4,500,000 is paid.

"108 L.L.C." shall mean 108 North State Street II, L.L.C., a Delaware limited liability company, an Affiliate of the Developer.

"Performance Deposit" shall mean the One Million and No/100 Dollars (\$1,000,000) previously deposited with the City by the Developer, or its Affiliate, pursuant to the Memorandum of Intent referred to in Recital E.

"Permitted Liens" shall mean those liens and encumbrances against the Phase I Project and/or the Land set forth on Exhibit G hereto.

"Permitted Transfer" shall mean and include: (a) an Intra-Company Transfer; (b) the Transfer of the APC Property to an Approved Developer; (c) after the issuance of the Phase I Project Certificate or an APC Certificate, the Transfer of the Phase I Project or an APC to an Approved Purchaser, (d) the lease (other than a master, synthetic or similar lease or transaction that has the substantive effect of transferring ownership or control over the development of all or substantially all of the Phase I Project or an APC to a third party that is not an Affiliate of the Developer), sublease, license or similar occupancy agreement with a tenant, subtenant, licensee or occupant for any portion of the Phase I Project or for any APC that is entered into in the ordinary course of business, and subject to the Approved Tenants leasing covenant set forth in Section 8.21, and (e) the Transfer of the CTA Parcel, CTA Station and Airport Check-In Facility to the CTA, as provided for under the CTA/Mills Agreement. Notwithstanding the foregoing, or anything else in this Agreement, if and so long as a Developer Event of Default exists, there shall be no Permitted Transfers (except for a Transfer to the CTA under clause (e)) and any Transfer during the continuance of the Developer Event of Default shall require the City's consent, which shall be in the City's sole discretion.

"Phase I Project Budgets" shall mean the budget attached hereto as Exhibits H-1 to H-3, showing the estimated total cost of the respective Phase I Project components by line item, furnished by the Developer to DPD, in accordance with Section 3.03 hereof.

"Phase I Project Certificate" shall mean the certificate of completion for the Phase I Project described in Section 7.01(a).

"Phase I Project Construction Contract" shall mean the general contract or construction management agreement between the Developer and the Phase I Project G/C relating to the construction of the Phase I Project.

"Phase I Project Construction Manager" shall mean W.E. O'Neil Construction Company, or such other construction manager designated by the Developer and reasonably acceptable to DPD.

"Phase I Project G/C" shall mean any general contractor designated by the Developer and reasonably acceptable to DPD.

"Phase I Project Property" shall mean, with respect to the Phase I Project, all of the real property development rights, title and ownership interests associated with such Phase I Project, including, without limitation: the Land (including the Vacated Property); all construction, support, ingress, egress and access easements; all rights under any reciprocal easement agreements, common area, shared usage and similar agreements relating to the operation of the Phase I Project as a mixed-use project; all improvements comprising the Phase I Project; and all other appurtenances to the ownership of the Phase I Project.

"Phase I Project P&S" shall mean the construction documents containing a site plan and working drawings and plans and specifications for the Phase I Project, or any portion or portions thereof.

"Planned Development" shall mean that certain Planned Development No. 489 approved by the City Council applicable to the Land, as the same has been or may be amended.

"Plat of Vacation" shall mean that certain plat of vacation vacating certain below-grade, at-grade and above-grade public right of way to the Developer as approved by the ordinance of the City Council adopted on May 11, 2005 and published in the Journal of Proceeding for such date at pages 46789-46797.

"Prohibited Tenants" shall mean, with respect to all leases of space in the Base Building, the CBS Building or the Office Project, or in any APC, tenants engaging in one of the prohibited uses listed on Exhibit E.

"Substantially Complete" shall mean, with respect to the construction of the Phase I Project or any APC, that the core and shell structural work and all exterior building finishes are complete, core building electrical, plumbing, mechanical, HVAC, sprinkler, security and similar systems are complete and in working order, and the green roof is complete. Substantial Completion does not require, however, that build-out work associated with specific tenant improvements be completed.

"Substitute Development Component" shall mean the development of a project component other than the Office Project, the Residential Project and the Hotel Project, built on the Property other than above the CBS Base Building or on the Northeast Pad or the Northwest Pad.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Land dated within 45 days prior to the Initial Closing Date, acceptable in form and content to the City, prepared by a surveyor registered in the State of Illinois, certified to the City, and indicating whether the Land is in a flood hazard area as identified by the United States Federal Emergency Management Agency.

"Tenth Anniversary Date" shall mean the tenth anniversary of the date of Phase I Project Certificate.

"Term of the Agreement" shall mean the period of time commencing on the execution of this Agreement and ending on the Tenth Anniversary Date.

"TIFIA Financing" shall have the meaning given to it under the CTA/Mills Agreement.

"Title Company" shall mean Chicago Title Insurance Company, or such other reputable title company as may be reasonably acceptable to the City.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer (or its designee 108 L.L.C. to the extent permitted hereunder with regard to the CTA Parcel) as the named insured with respect to the Land, noting the recording of this Agreement as an encumbrance against the Land, and a subordination agreement in favor of the City with respect to previously recorded liens against the Phase I Project related to Lender Financing, if any, issued by the Title Company.

"Transfer" shall mean any direct or indirect sale, transfer, conveyance, assignment, lease or other disposition of the Phase I Project or an APC, or any portion thereof, or any interest or estate therein, or any direct or indirect sale, transfer, assignment or other disposition of any ownership interest in the Developer or any upper-tier owner of the Developer that has the practical effect of transferring a 51% or more ownership interest in, or control of, the Phase I Project.

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

"WBE(s)" shall have the meaning set forth in Section 10.03(b)(iii).

SECTION 3. THE PHASE I PROJECT AND APCS

The provisions of this Section 3 shall initially apply to the Phase I Project and shall also apply to each APC, unless the parenthetical (Phase I Project Only) appears after a given provision. As applied to each APC, the following defined terms used in this Section 3 shall be construed to mean:

<u>The Defined Term</u>	<u>Shall Mean</u>
Base/CBS Building	APC building
Developer	Developer or Approved Developer
Lender Financing	Committed And Available Financing
Phase I Project	APC
Phase I Project Budgets	APC Project Budget
Phase I Project Certificate	APC Certificate
Phase I Project G/C	APC G/C
Phase I Project P&S	APC P&S

3.01. The Phase I Project. With respect to the Phase I Project, the Developer shall, pursuant to the Phase I Project P&S, and subject to the provisions of Section 18.17 hereof, (i) commence

construction of the work authorized under the caisson and slurry wall permits for the Phase I Project no later than December 1, 2005, and (ii) cause construction of the Phase I Project to be Substantially Complete no later than March 1, 2009 (above dates applicable to Phase I Project only).

3.02 Plans and Specifications. The Developer has advised the City that the Phase I Project is a design-build project and that the Developer will be designing and submitting to the City the Phase I P&S as construction progresses (i.e., the Phase I Project P&S will not be submitted in their entirety before commencement of construction of the Phase I Project, as described in Section 3.01(a)). Prior to the Initial Closing Date, the Developer shall, at a minimum, deliver to DPD the final Phase I Project P&S applicable to the caisson and slurry wall work comprising a portion of the Below-Grade Improvements, and shall deliver such drawings for the remainder of the Below-Grade Improvements, the Base Building and the CBS Building and Office Project as the Department of Construction and Permits may require to process the caisson and slurry wall permit submission, and DPD shall have approved all of such submissions. Prior to the Initial Closing Date, the Developer shall also deliver to DPD 30%, 60% and 90% drawings for the caisson and slurry wall permit submission (and any other permit submissions where drawings have advanced to such completion stage(s)). After the Initial Closing Date, the Developer shall continue to design, finalize and submit to DPD Phase I Project P&S to DPD at the same time such plans and specifications are prepared for DPD's review and approval, which shall not be unreasonably withheld or delayed. After DPD's approval of any portion of the Phase I Project P&S, subsequent proposed changes to any such portion shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof and for such approval, if any, required under Section 3.04. All Phase I Project P&S shall at all times conform all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to such City departments and other governmental authorities as may be necessary to acquire building permits and other required approvals for the Phase I Project.

3.03 Project Budgets.

(a) Phase I Project Budgets. The Developer has furnished to DPD, and DPD has approved, the Base Building Budget attached as Exhibit H-1, the CBS/Office Budget attached as Exhibit H-2, the DBE Improvements Budget attached as Exhibit H-3, the Base Building MBE/WBE Budget for the Phase I Project attached as Exhibit I-1, the CBS/Office MBE/WBE Budget attached as Exhibit I-2, and the DBE Budget attached as Exhibit I-3. The Developer hereby represents and warrants to the City that the Lender Financing together with the CTA Financing, shall be sufficient to complete the Phase I Project.

(b) Changes in Project Budget. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Phase I Project Budget. Only Change Orders described in Section 3.04 will be subject to DPD's approval.

3.04 Change Orders. Any Change Orders that individually or in aggregate (a) reduce the applicable square footage of the Base Building, CBS Building, the Office Project, the Residential Project or the Hotel Project, respectively and severally, by more than five percent (5%) from the minimum square footage requirements specified in Recital D, (b) change the basic use of the Base Building or the CBS Building, or (c) request an extension of the deadlines set forth in Section 3.01 by more than six months from the dates set forth therein (other than for force majeure causes described in Section 18.17), must be submitted by the Developer to DPD for DPD's prior written

approval. A request for additional six month extensions pursuant to clause (c), after the initial six month extension, shall not be unreasonably withheld so long as no Event of Default (or default which, with the giving of notice or lapse of time, or both, would give rise to an Event of Default) exists. DPD shall approve or disapprove (with a brief written explanation given of any disapproval) such proposed Change Order within ten (10) business days' of its receipt thereof. Failure to approve such proposed Change Order within such time period shall be deemed to be a disapproval. The Developer shall not authorize nor permit the performance of any work relating to Change Orders described in the preceding clauses or the furnishing of materials in connection therewith prior to the receipt of DPD's written approval. The Phase I Project Construction Contract and each construction contract or subcontract applicable to the Phase I Project shall contain a provision to this effect. DPD shall be notified in writing of all other Change Orders as part of the progress reports submitted by the Developer pursuant to Section 3.07.

3.05. DPD Approval. Any approval granted by DPD of the Phase I Project P&S and any 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 it constitute approval of the quality, structural soundness or safety of any portion of the Phase I Project improvements.

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 particular portion or component of the Phase I Project until it has obtained all necessary permits and approvals with respect to the commencement of the applicable portion or component of the phase of construction work to be undertaken and proof of the Developer's bonding with respect to any work in the public way and any other public works component of the Phase I Project, including specifically the portion thereof related to the CTA parcel, to the extent required under the CTA/Mills Agreement.

3.07 Progress Reports. The Developer shall provide DPD with written quarterly progress reports detailing the status of the Phase I Project, including, without limitation, a revised, extended completion date, if necessary (with any extended completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). The Developer shall provide DPD with copies of all draw request packages relating to the construction of the Phase I Project. The Developer shall also provide the City's monitoring staff with quarterly documentation including, without limitation, a current contractor's and subcontractor's activity report, a contractor's certification concerning labor standards and prevailing wage requirements, a quarterly DBE and MBE/WBE utilization report and certified payroll records. When construction of the Phase I Project is approximately 25%, 50%, 70% and 100% complete, the Developer shall also provide DPD with reports summarizing the status of such party's own DBE and MBE/WBE utilization, City resident hiring and the payment of prevailing wages, with a plan to address any shortfall, if necessary.

3.07A Inspecting Architect. With respect to the Phase I Project, the inspecting architect for the lender, if any, providing the Lender Financing, shall also serve as the inspecting architect for the City. Such inspecting architect shall perform periodic inspections with respect to the Phase I Project and shall provide certifications with respect thereto to DPD, including, without limitation, in

connection with the City's issuance of the Phase I Project Certificate. The Developer shall pay any amounts payable to such inspecting architect for its services to the City under this Section 3.07A.

3.08 Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades. DPD shall approve or disapprove (with a brief written explanation given of any disapproval) such proposed materials within ten (10) business days' of its receipt thereof. Failure to approve such proposed materials within such time period shall be deemed to be a disapproval.

3.09 Signs, Public Relations, Landscaping. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Phase I Project during the Phase I Project, indicating the City's involvement in the Phase I Project. The City reserves the right to include the name, photograph, artistic rendering of the Phase I Project and the APCs and other pertinent information regarding the Developer, the Phase I Project and the APCs in the City's promotional literature and communications. The terms of the Planned Development shall govern the approval of all other signage disclosed in the Phase I Project P&S, any changes in the maintenance, appearance, color scheme, painting, nature, type, content and design of such signage, and all landscaping on the Phase I Project.

3.10 Utility Connections. The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Phase I Project to City utility lines existing on or near the perimeter of the Phase I Project, provided it first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto (unless and except to the extent any such fees are waived in accordance with Section 3.11 below).

3.11 Permit Fees. In connection with the Phase I Project, the Developer shall pay all those building, permit, engineering, tap on, inspection and other 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; provided, however, that the fees specified on Exhibit J and attributable to the CTA Station and the Airport Check-In Facility shall be waived. Such fee waiver shall not be construed to waive the City's right to recover the City's costs of construction or field work properly associated with Developer's portion of the Phase I Project and corresponding to items specified on Exhibit J for which fees are waived.

3.12 City Deed. On the Initial Closing Date, the City shall convey to the Developer (or, if so directed, to the Developer's designee, 108 L.L.C.) the Land (excluding the Vacated Property) by quitclaim deed. The Vacated Property shall be conveyed to the Developer on such date by the recording of the ordinance approving the Plat of Vacation and the Plat of Vacation itself. Without limiting the generality of the quitclaim nature of the City's deed, all such conveyances and title shall, in addition to the provisions of this Agreement, be subject to:

1. General real estate taxes and any special assessments or other taxes not yet due and payable, if any;

2. Easements, encroachments, covenants and restrictions of record;
3. The Permitted Liens and such other title defects as may exist;
4. The Redevelopment Plan for the Redevelopment Area.

In addition, the Land shall be conveyed to Developer in its "as is, where is" condition, with no warranty, express or implied, by the City as to the condition of the soil, its geology, or the presence of known or unknown faults. It shall be the sole responsibility of Developer, at its sole expense, to investigate and determine the soil and environmental condition of the Land. If the soil conditions are not in all respects entirely suitable for the use or uses to which the Land is intended to be utilized for under this Agreement, then it shall be the sole responsibility and obligation of Developer to take such action as may be necessary to place the soil and environmental condition of the Land in a condition entirely suitable for the intended uses under this Agreement. After the Initial Closing Date, the Developer shall have no recourse whatsoever against the City under any Environmental Law or any other law, rule or regulation for the environmental, soil or other condition of the Land.

SECTION 4. FINANCING

4.01 Total Phase I Project Cost and Sources of Funds. The cost of the Phase I Project is estimated to be \$314,796,520, to be applied in the manner set forth in the Phase I Project Budgets.

4.02 City Funds. No City financial assistance shall be provided for the Phase I Project (except to the extent provided for the benefit of CTA pursuant to the City/CTA Agreement) or any APC.

SECTION 5. CONDITIONS PRECEDENT

The closing conditions precedent of this Section 5 shall initially apply to City's conveyance of Land for the Phase I Project and shall also apply to each Transfer of the APC Property to an Approved Developer, unless the parenthetical (Phase I Project Only) appears after a given provision. As applied to such subsequent Transfers, the following defined terms used in this Section 5 shall be construed to mean:

<u>The Defined Term</u>	<u>Shall Mean</u>
APC Purchase Price Payment	APC Purchase Price Payment
Developer	Developer or Approved Developer
Developer Parties	APC Developer's owners
Initial Closing Date	APC Closing Date
Land	APC Property
Lender Financing	Committed And Available Financing
Phase I Project	APC
Phase I Project Budgets	APC Project Budget
Phase I Project G/C	APC G/C
Phase I Project P&S	APC P&S

The conditions precedent set forth below shall be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, not less than five (5) business days prior to the applicable closing date.

5.01 Project Budget. The Developer shall have submitted to DPD, and DPD shall have approved, the Phase I Project Budgets in accordance with the provisions of Section 3.03 hereof. The City's execution of this Agreement, attaching such budgets, shall be evidence of DPD's approval of such budgets.

5.02 Plans and Specifications. The Developer shall have submitted to DPD, and DPD shall have approved, the initial Phase I Project P&S required under Section 3.02 (Phase I Project only; APCs to require approval of core and shell drawings and plans and specifications, or such other drawings as may be reasonably required by DPD).

5.03 Other Governmental Approvals. The Developer shall have secured all other necessary approvals and permits with respect to the Phase I Project work required by any state, federal, or local statute, ordinance or regulation and shall submit evidence thereof to DPD, including, without limitation, Part II approval under the Planned Development. Notwithstanding the foregoing, the City agrees to convey the Land for the Phase I Project to the Developer upon the Developer's submission of final Phase I Project P&S for caisson and slurry wall permits for the Below Grade Improvements (Phase I Project only).

5.04 Phase I Project Financing. The Developer shall have submitted to DPD, and DPD shall have approved, in its reasonable discretion, evidence of Lender Financing with respect to the Phase I Project. After the Initial Closing Date, the Developer shall provide to the City such additional information regarding such Lender Financing as the City shall reasonably request. The Lender Financing shall be ready and available, i.e. all material conditions to funding shall have been satisfied and such funds shall be available to be pay the costs of construction of the Phase I Project as and when incurred. Any liens relating to such Lender Financing in existence at the Initial Closing Date, or attaching on such date, shall be subordinated to the covenants that run with the Land specified in Section 7.02 pursuant to a Subordination Agreement in a form acceptable to the City executed and recorded on or prior to the Initial Closing Date.

5.05 Title. The Developer shall furnish the City with a copy of its Title Policy for the Land, dated down as of the Initial Closing Date, certified by the Title Company, showing the Developer (or, as relates to the CTA Parcel if the City has been so directed to convey, its designee, 108 L.L.C.) as the named insured. The Title Policy 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 8.17 hereof. The Developer shall provide to DPD, prior to the Initial Closing Date, a title commitment, copies of documents identified on Schedule B to such title commitment, documents relating to the Com Ed easements (Phase I Project only), the CTA/Mills Agreement (Phase I Project Only), and such other material Phase I Project agreements as the City may reasonably request.

5.06 Evidence of Clean Title. The Developer, at its own expense, shall have provided the City with current searches for the Developer Parties and 108 L.L.C. as follows:

Secretary of State (IL)	UCC search
Secretary of State (IL)	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 (N.D. IL)	Pending suits, judgments, bankruptcy proceedings
Clerk of Circuit Court, Cook County	Pending suits, judgments, bankruptcy proceedings

showing no liens against the Developer Parties, the Land or any fixtures now affixed thereto, except for the Permitted Liens, nor any other unacceptable matters.

5.07 Surveys. The Developer shall have furnished the City with three (3) copies of the Survey of the Land (updated for subsequent APC Transfers to reflect improvements constructed as of such later date) and three (3) copies of a survey of CTA Parcel (Phase I Project Only).

5.08 Insurance. The Developer, at the Developer's expense, shall have insured the Phase I Project Property in accordance with Section 12 hereof and provided to DPD the certificates of insurance required pursuant to Section 12.

5.09 Opinion of the Developer's Counsel. On the Initial Closing Date, the Developer Parties and, if applicable, 108 L.L.C., shall each furnish the City with an opinion of counsel, substantially in the form attached hereto as Exhibit K, with such changes as may be required by or acceptable to Corporation Counsel.

5.10 City/CTA Agreement. All conditions precedent to the City's obligations under the City/CTA Agreement shall have been satisfied (including, without limitation, the CTA's providing satisfactory evidence of its ability to fund its funding obligations thereunder). (Phase I Project Only).

5.11 Financial Statements. The Developer Parties shall have provided Financial Statements to DPD for 2004 and 2005.

5.12 Documentation. The Developer shall have provided evidence satisfactory to DPD, in its sole discretion, with respect to its ability to satisfy MBE/WBE, DBE and City resident employment requirements, as set forth in Section 10 hereof, with respect to the Phase I Project. Such evidence shall include, without limitation: the Developer's MBE/WBE Utilization Plan, including Schedules C and D; evidence that the Phase I Project G/C has met at least once with, and provided bid documents to, applicable MBE/WBE contractor associations; and evidence of meeting with the City's monitoring staff.

5.13 Environmental. The Developer shall have provided DPD with copies of any Phase I environmental audits and any other environmental reports completed with respect to the Land pursuant to engagement by any of the Developer Parties. The Developer shall use commercially

reasonable efforts to 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 Parties and 108 L.L.C. shall have provided DPD with copies of their respective articles of organization or incorporation, as applicable, containing the original certification of the Secretary of State of the state of incorporation or organization; certificates of existence or good standing from the Secretary of State of its state of organization or incorporation and the State of Illinois, if different; copies of operating agreements or bylaws, as applicable; a managing member's or secretary's certificate in such form and substance as the Corporation Counsel may reasonably require; member, partner, director and shareholder consents and/or resolutions evidencing consent to the execution of this Agreement and such other limited liability company, partnership and corporate documentation as the City may reasonably request.

5.15 Litigation. The Developer Parties and 108 L.L.C. shall have provided to the Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving such parties' property located in the City, or to which the City is a party, or involving payment of franchise, income, sales or other taxes by such party to the State of Illinois or City. In each case, the description shall specify the amount of each claim, and whether (and to what extent) such potential liability is covered by insurance.

5.16 Payment and Performance Bonds. The Developer shall have delivered to the City a copy of any payment and performance bonds relating to the Phase I Project (in addition to those required with respect to work in the public way). The City shall be named as an obligee or co-obligee on such bonds, provided, however that the City's rights shall be subject and subordinate to the rights of any co-obligee providing Lender Financing. In the alternative to the delivery of payment and performance bonds for non-public way work, the Developer reserves the right and may deliver to the City subguard insurance issued with respect to all or part of the Phase I Project, which policies shall name the City as an additional insured party and shall be in form and substance reasonably acceptable to the City.

5.17. Purchase Price Payment. On the Initial Closing Date, the Developer shall pay the City the Initial Payment. The City shall apply \$500,000 of the Performance Deposit toward such payment and the remainder of the Initial Payment shall be paid in immediately available funds.

5.18 Guaranty. On the Initial Closing Date, TMLP shall execute and deliver the Guaranty to the City (Phase I Project only).

5.19 Plat of Vacation. On the Initial Closing Date, the Plat of Vacation shall be recorded (Phase I Project only).

5.20 ComEd Agreement. On the Initial Closing Date, the easement agreements between the Developer and ComEd shall be recorded (Phase I Project only).

5.21 Construction Escrow Agreement Deposits. All deposits (if any) required under any Construction Escrow Agreement as a condition to the initial funding thereunder on the Initial Closing Date shall have been made (Phase I Project only).

5.22 CBS Lease. The Developer shall have delivered (or otherwise made available for review by DPD and the Corporation Counsel) a true, correct and complete copy of the CBS lease, and all exhibits and amendments thereto, and such CBS lease shall be fully executed and in full force and effect.

5.23 CTA/Mills Agreement. The Developer shall have delivered a true, correct and complete copy of the CTA/Mills Agreement, and all exhibits and amendments thereto, and such CTA/Mills Agreement shall be fully executed and in full force and effect. All conditions precedent to the CTA's and Mills' respective obligations for the initial closing under the CTA/Mills Agreement shall have been satisfied. (Phase I Project Only)

5.24 Phase I Project Construction Contract. The Developer shall have delivered a true, correct and complete copy of the Phase I Project Construction Contract, and all exhibits and amendments thereto, and such contract shall be fully executed and in full force and effect

5.24 No Event of Default. No Event of Default shall exist under this Agreement.

SECTION 6. AGREEMENTS WITH CONTRACTORS

The provisions of this Section 6 shall initially apply to the Phase I Project and shall also apply to each APC. As applied to each APC, the following defined terms used in this Section 6 shall be construed to mean:

<u>The Defined Term</u>	<u>Shall Mean</u>
Developer	Developer or Approved Developer
Phase I Project	APC
Phase I Project G/C	APC G/C

6.01 Bid Requirement. (a) The City hereby approves the Developer's retention of W. E. O'Neil Construction Company as the Phase I Project Construction Manager. It is acknowledged that the Developer may select one or more Phase I Project Construction Managers or Phase I Project G/Cs for work on components of the Phase I Project or it may itself subcontract for such work or may elect to otherwise work through the Phase I Project Construction Manager or the Phase I Project G/Cs and the structure of such contractual relations shall be in Developer's sole discretion, provided all such construction managers, contractors and subcontractors shall be bound by and subject to the provisions of this Agreement applicable to such parties. The City shall have the right to approve each APC G/C prior to the APC Closing Date, which right shall not be unreasonably withheld or delayed. Prior to entering into an agreement with any contractor or subcontractor for construction of any portion of the Phase I Project, and excluding work that is time critical or specialized in nature, the Developer shall cause the Phase I Project Construction Manager and/or Phase I Project G/C to solicit bids from qualified contractors eligible to do business with the City of Chicago, and, if requested by DPD, shall submit all bids received to DPD for its inspection. Photocopies of all contracts and subcontracts entered or to be entered into shall be provided to DPD within ten (10) business days of DPD's request. The Developer agrees that the Phase I Project Construction Manager and Phase I Contract G/C, as applicable, shall not (and shall ensure that the contractors and subcontractors shall not) begin work on any portion of the Phase I Project until the applicable plans

and specifications related thereto have been approved by DPD and all requisite permits and approvals have been obtained.

6.02 Construction Contracts. Prior to the Initial Closing Date, the Developer shall deliver to DPD a certified copy of the proposed Phase I Project Construction Contract for its review. The Developer shall have delivered to DPD and Corporation Counsel copies of any material modifications, amendments or supplements to such construction contract within ten (10) business days after execution of such changes.

6.03 Performance and Payment Bonds. Prior to commencement of construction, the Developer shall require that, with respect to any work in the public way or other work for which a bond or letter of credit is required under the Municipal Code and/or applicable laws of the State of Illinois, or under the CTA/Mills Agreement, the Phase I Project Construction Manager, the Phase I Project G/C, and any applicable contractors and subcontractors be bonded for their respective payment and performance (if any) by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The City shall be named as obligee or co-obligee on such bond(s). With respect to any bond(s) applicable to work that is not in the public way, the City's rights as a co-obligee shall be subject and subordinate to the rights of any co-obligee providing Lender Financing for construction on such portion of the Property.

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Phase I Project Construction Contract and each contract with any contractor and subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 12 (Insurance) (unless any such applicable insurance is covered under the Developer's subguard insurance policies) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into shall be provided to DPD within ten (10) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

The provisions of this Section 7 shall initially apply to the Phase I Project and shall also apply to each APC. As applied to each APC, the following defined terms used in this Section 7 shall be construed to mean:

The Defined Term
Developer

Shall Mean
Developer or Approved Developer

Phase I Project	APC
Phase I Project Certificate	APC Certificate
Phase I Project Property	APC Property

7.01 Certificate of Completion. (a) After (i) construction of the Phase I Project is Substantially Complete and in accordance with the terms of this Agreement, (ii) the issuance of any permits and governmental approvals necessary for the occupancy of the core and shell of any Phase I Project buildings and facilities, (iii) payment of the final public benefits payment required under Section 8.19, and (iv) the written request of the Developer, DPD shall issue to the Developer a certificate in recordable form (a "Phase I Project Certificate") certifying that the Developer has fulfilled its obligation to complete the construction work relating to the Phase I Project in accordance with the terms of this Agreement. Upon issuance of the Phase I Certificate, the City shall also return \$375,000 of the remaining Performance Deposit to the Developer (Phase I Project Only). Upon issuance of the second (i.e., final) APC Certificate, the City shall return the remaining \$125,000 of the Performance Deposit to the Developer.

(b) DPD shall respond to a written request for a certificate under this Section 7.01 within thirty (30) days by issuing either a certificate or a written statement detailing the ways in which the Phase I Project has not been satisfactorily completed and the measures which must be taken in order to obtain the applicable certificate. If DPD disapproves a request for a certificate, then the Developer may resubmit a written request for the applicable certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate. The issuance of a certificate under Section 7.01 relates only to the construction of the Phase I Project and will state that the terms of the Agreement specifically related to the performance of such construction work have been satisfied.

(a) Developer's Continuing Requirements. After the issuance of a Phase I Project Certificate, only the executory requirements of this Agreement set forth in Sections 3, 5, 6, 7, 8 and 10-18 of this Agreement (collectively, the "Continuing Requirements"), and all representations, warranties, and covenants contained in the Continuing Requirements will continue to remain in full force and effect through the earlier to occur of (i) the Term of the Agreement, and (ii) the issuance of second (i.e., the final) APC Certificate. The issuance of the Phase I Project Certificate shall not be construed as a waiver by the City of any of its rights, remedies or requirements pursuant to such Continuing Requirements. In addition, those covenants specifically described at Sections 8.01(k), (l) and (n) and Sections 8.02, 8.03, 8.19, 8.20 and 8.21, shall be covenants that run with the land from the Initial Closing Date and shall be binding upon any transferee of the Phase I Project Property through the later to occur of (i) the Term of the Agreement, (ii) the issuance of the second (i.e., the final) APC Certificate, or (iii) such other period as may be expressly applicable to a specific Section, notwithstanding the issuance of a Phase I Project Certificate. The other Continuing Requirements shall be binding only upon the

Developer and upon any successor in interest to the Developer's rights and obligations under this Agreement.

7.03 Failure to Complete. If the Developer fails to complete the Phase I Project (other than as a result of the CTA's failure to fund its share of the Below Grade Improvements or the CTA's

failure to otherwise perform under the Mills/CTA Agreement or the City/CTA Agreement that materially impairs the Developer's ability to complete the Phase I Project), as evidenced by the City's issuance of the Phase I Project Certificate, or the Developer permits an unpermitted lien to exist and such lien is foreclosed or otherwise enforced in such a manner as to terminate the encumbrance of this Agreement or lessen the priority thereof, then the City shall have, but shall not be limited to, any of the following rights and remedies, exercisable against the Developer: (a) the right to terminate this Agreement or only such provisions hereof as the City may, in its sole discretion, elect to terminate; (b) the right to complete any unfinished public improvement or the Mills Portion of the CTA Project and to pay for such costs of completion (including interest costs) and to be reimbursed by the Developer for all reasonable costs and expenses (up to the amount of the Mills Financing Contribution, as that term is defined in the Mills/CTA Agreement) incurred by the City in completing such public improvement or the Mills Portion of the CTA Project, as that term is defined in the Mills/CTA Agreement, (c) the right to approve any further Transfer of the Phase I Project and ownership and other interests in the Land related thereto and any APC Property, which right shall be exercisable by the City, in its sole discretion (and in lieu of the provisions set forth herein that might otherwise allow Permitted Transfers and any remedies available under Section 10.03(g)), and (d) the right to retain the remaining portion of the Performance Deposit. The City shall also have the right to exercise its rights against TMLP under the Guaranty.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement (or, if the second APC Certificate is issued prior to such date, such earlier date), DPD shall, upon the Developer's written request, written notice in recordable form stating that the Term of the Agreement has expired and that the Continuing Requirements have terminated. Upon the termination of the covenants running with the land, as specified and determined pursuant to Section 7.02(a), DPD shall provide, upon the Developer's written request, written notice in recordable form stating that such covenants running with the land have terminated. The Planned Development shall continue to govern the use and development of the Phase I Project after both such expiration dates.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER

The provisions of this Section 8 shall initially apply to the Phase I Project and shall also apply to each APC, unless the parenthetical (Phase I Project Only) appears after a given provision. If the City transfers the CTA Parcel to 108 L.L.C., "Developer" shall be deemed to refer to 108 L.L.C., as applicable to any covenant, representation or warranty relating to the CTA Parcel, the CTA Station, the Airport Check-In Facility, and 108 L.L.C. shall execute a limited joinder to this Agreement to join in the making of such covenants, representations and warranties; provided, however, that following the Transfer of an APC to an Approved Developer and the City's receipt of the APC Purchase Price Payment, the Developer and 108 L.L.C., as applicable, shall be released from any and all applicable obligations, including the making of any covenants, representations or warranties, as to the APC so transferred, provided such Approved Developer executes a similar limited joinder acknowledging that it is bound by such obligations. As applied to each APC, the following defined terms used in this Section 8 shall be construed to mean:

The Defined Term

Shall Mean

Developer

Developer or Approved Developer

Lender Financing	Committed And Available Financing
Phase I Project	APC
Phase I Project Budgets	APC Project Budget
Phase I Project Certificate	APC Certificate
Phase I Project G/C	APC G/C
Phase I Project P&S	APC P&S
Phase I Project Property	APC Property

In addition, references to entity status or state of organization shall be construed to apply to the Approved Developer's entity status and state of organization.

8.01 General. The Developer (and, upon and after any Permitted Transfer, the transferee, in lieu of the Developer as to the Transferred APC) represents, warrants and covenants that, except as to those fully performed representations, warranties and covenants that terminate upon the City's issuance of a Phase I Project Certificate or as otherwise specified, at all times during the Term of this Agreement.

(a) the Developer is a Delaware limited liability company duly organized, validly existing, qualified to do business in Delaware, and qualified to do business in Illinois and in any other state where, due to the nature of its activities or properties, such qualification or license is required (it being understood that upon a Transfer to an Approved Purchaser, this representation and warranty shall be construed to apply to such transferee, based on its entity status and state of organization);

(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 its obligations under this Agreement has been duly authorized by all necessary limited liability company action, and does not violate the Developer's articles of organization, operating agreement, as the same may be amended and supplemented, nor any applicable provision of law, nor does it constitute a material breach of, default under or require any consent under any material agreement, instrument or document to which the Developer is now a party or by which it is now or may become bound;

(d) except as permitted pursuant to Section 8.01(k) of this Agreement and except for a transfer of the CTA Parcel to 108 L.L.C., the Developer shall acquire and until completion of the Phase I Project (and thereafter so long as the Developer maintains ownership of the Phase I Project) maintain good and insurable fee simple title to the Phase I Project Property free and clear of all liens (except for the Permitted Liens, liens incurred in connection with the Lender Financing, Non-Governmental Charges that the Developer is contesting in good faith pursuant to Section 8.14 hereof, equipment financing liens and purchase money security interests in personal property located on the Phase I Project Property and liens securing the TIFIA Financing) and, as evidence of compliance with such covenant, shall, upon request, provide DPD with copies of all date-down title indorsements at the time such indorsements are issued pursuant to the Construction Escrow Agreement;

(e) the Developer is and shall remain solvent and able to pay its respective 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 materially impair its ability to perform under this Agreement;

(g) prior to commencement of construction of any phase of construction of any portion of the Phase I Project, with respect thereto, the Developer shall have obtained and shall thereafter maintain all the government permits, certificates and consents necessary to conduct its business and to construct, complete and operate the Phase I Project;

(h) after completion of construction of the Phase I Project, the Developer shall obtain and thereafter maintain all government permits, certificates and consents necessary to conduct its business and operate the Phase I Project;

(i) the Developer is not in default beyond any applicable grace period or notice and cure period 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 it or the Phase I Project Property is bound, the effect of which would be to materially and adversely affect its ability to perform its obligations under this Agreement;

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

(k) the Developer shall not do or permit any of the following without the prior written consent of DPD, which shall be in DPD's sole discretion: (1) be a party to any liquidation; (2) Transfer the Phase I Project, or any portion thereof prior to the issuance of a Phase I Project Certificate of Completion, or after issuance the Phase I Project Certificate of Completion, except to an Approved Purchaser; (3) Transfer any APC, except in a Permitted Transfer; (4) enter into any transaction outside the ordinary course of business or that would cause a material and detrimental change to the Developer's financial condition or ability to complete the Phase I Project or its ability to comply with Section 8.21; or (5) assume or guarantee the obligations of any other person or entity (except assumptions or guarantees given with respect to the Phase I Project or for the benefit of any lender providing Lender Financing the effect of which does not materially and adversely affect the Developer's ability to perform its obligations under this Agreement);

(l) in connection with any proposed Transfer, the Developer shall give the City a completed Notice of Proposed Transfer (including, in the case of a Transfer of an APC Property, a calculation of the APC Purchase Price Payment that will be payable to the City) at least 30 days prior to such Transfer and, if the transferee is an Approved Purchaser or Approved Developer, as applicable, together with information sufficient to enable the City to determine such status;

(m) the Developer has not incurred, and shall not, without the prior written consent of DPD, allow, without contesting the same pursuant to Section 8.14 hereof, the existence of any liens against

the Phase I Project Property other than the Permitted Liens, equipment financing liens and purchase money security interests in personal property located on the Phase I Project Property;

(n) the Developer has not incurred, and prior to the Phase I Completion Date (except as permitted under Section 8.01(k)), shall not incur, any indebtedness, secured or to be secured by the Phase I Project Property or any fixtures now or hereafter attached thereto, except the Lender Financing and any additional financing approved in writing by DPD, which approval shall not be unreasonably withheld or delayed so long as the funds from such financing are used solely to pay for costs of construction of the Phase I Project set forth in the Phase I Project Budgets, as the same may be amended; and

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

(p) shall make the APC Purchase Price Payments and the Office Purchase Price Payment when such payments are due under the terms of this Agreement..

8.02 Covenant to Construct. Upon DPD's approval from time to time of the Phase I Project P&S as such portions thereof are designed and built, and the Developer's receipt from time to time of the required building permits and governmental approvals for each stage of construction, the Developer shall commence and, subject to force majeure delays described in Section 18.17 and the CTA funding its share of Phase I Project costs, thereafter diligently construct the Phase I Project in accordance with this Agreement and all Exhibits attached hereto, the Phase I Project P&S, the Planned Development, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Phase I Project, the Phase I Project Property, and the Developer. Each portion of the Phase I Project P&S shall be designed to include, and the Phase I Project shall be constructed to include, all infrastructure necessary to support the construction of each of the APCs.

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

8.04 Use of City Funds. The City shall not provide any funds for the Phase I Project (except certain funds to be provided by the City to the CTA pursuant to the City/CTA Agreement) or any APC Project.

8.05 Other Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area; provided, however, that any such amendments shall not have a material adverse effect on the Developer, the Phase I Project or any APC. The Developer shall, at its expense, cooperate and provide reasonable assistance in connection with the marketing of any such additional bonds, including but not limited to providing written descriptions of the Phase I Project, and providing information and assisting the City in preparing an offering statement with respect thereto. The Developer shall not have any liability with

respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by the Developer that is determined to be false or misleading in any material respect.

8.06 Employment Opportunity. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the Phase I Project G/C and each of its contractors and subcontractors to abide by the terms set forth in Section 10 hereof.

8.07 Employment Profile. The Developer shall submit, and contractually obligate and cause the Phase I Project G/C and its contractors and subcontractors to submit, to DPD, from time to time, statements of their respective employment profiles upon DPD's request.

8.08 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the Phase I Project G/C and each of its contractors and subcontractors to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Phase I Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contracts. 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 to evidence compliance with this Section 8.08. Provided that any monetary amounts payable under the Prevailing Wage Act, 820 ILCS 130/0.01, et seq., for any violation of such statute are paid, nothing in this Agreement shall be construed to give the City any remedies with respect to prevailing wage violations beyond those provided for in the statute.

8.09 Arms-Length Transactions. Except as disclosed in the Phase I Project Budgets, or as disclosed to and approved by DPD after the Initial Closing Date, which approval shall not be unreasonably withheld or delayed, or as otherwise provided in this Section 8.09, neither the Developer nor any of its Affiliates may receive, directly or indirectly, any fees, commissions or similar service payments in connection with the Phase I Project. Permitted fees, commissions or payments shall include a developer fee of not to exceed 5% of actual development costs, reimbursement of actual predevelopment costs, reimbursement of actual administrative costs, a financing fee of 0.375% of the amount of any third party Lender Financing procured by the Developer for the construction of the Phase I Project, and leasing brokerage commissions not to exceed three percent of the net, base rent payable under executed leases relating to the Phase I Project. The preceding covenant shall only apply to construction period payments and shall not apply to the leasing commissions, property management fees, or similar payments received by the Developer or its Affiliates in connection with the ongoing operation of the Phase I Project after the issuance of a Phase I Certificate of Completion.

8.10 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents and warrants 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 Phase I 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 intends to own or control any interest, and no such person has represented any person, as agent or otherwise, who owns or controls, has owned or controlled, or intends to own or control any interest, direct or

indirect, in the Developer's business, the Phase I Project Property or any other property in the Redevelopment Area (excluding property used exclusively as a principal residence).

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

8.12 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer Parties for the fiscal years ending in 2003 and 2004 and each year thereafter until the earlier to occur (i) the Transfer of the last APC, or (ii) the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements following the close of each fiscal year and for such other periods as DPD may request.

8.13 Insurance. The Developer, at its expense, shall comply (or cause compliance) with all provisions of Section 12 hereof.

8.14 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, the Developer agree to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Phase I Project, the Phase I Project Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Phase I Project Property or Phase I 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 Phase I Project Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer' covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.14); or

(ii) at DPD's sole option, to furnish a good and sufficient bond or evidence of title insurance or other security reasonably 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 Phase I Project Property or any portion thereof or any fixtures that are or may be attached thereto, or the preservation of the encumbrance of this Agreement, 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.

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

8.16 Compliance with Laws. The Developer covenants that the Phase I Project Property and the Phase I Project shall be constructed and, upon completion of construction, operated and maintained, in compliance with all applicable federal, state and local laws (including, without limitation, Municipal Code Section 7-28 and 11-4), statutes, ordinances, the Planned Development, rules, regulations, executive orders and codes pertaining to or affecting the Phase I Project and the Phase I Project Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.17 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the Initial Closing Date in the conveyance and real property records of the Cook County along with the subordination agreement described in Section 5.04. 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.

8.18 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 Phase I Project Property or the Phase I Project, or become due and payable, and which create or may create a lien upon the Developer or all or any portion of the Phase I Project Property or the Phase I Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Phase I Project Property or the Phase I Project including but not limited to real estate taxes; provided, however, Developer shall have no liability for any Governmental Charge that became due and payable prior to the date of this Agreement.

(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 Phase I Project 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 required by law and provided in this Agreement unless the Developer has

given prior written notice to DPD of its 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 Phase I Project 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, evidence of title insurance or other security reasonably 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 Phase I Project Property or prevent the imposition of such lien 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 herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge.

(c) Insurance. In addition to the insurance required pursuant to Section 12 hereof, the Developer (so long as the Developer owns the Phase I Property) shall procure and maintain the following insurance with respect to the Phase I Project:

(i) During construction of the Phase I Project, Builders Risk insurance in accordance with Section 12(b)(v)

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance on the improvements constituting the Phase I Project Property in the amount of the full replacement value of the Phase I Project Property, specifically including (without limitation) coverage for fire, lightning, windstorm, hail, explosion, riot, strike, civil commotion, smoke, vandalism, malicious mischief and sprinkler leakage, collapse, flood coverage, terrorism, earthquakes and earth movement. The amount of coverage shall be equal to the full replacement cost of the Phase I Project improvements, provided, however, that terrorism, flood and earthquake coverage shall be at sublimits determined by the Developer. Notwithstanding the foregoing, the City acknowledges and agrees that the CTA shall maintain the insurance required in this Section 8.18(c)(ii) with respect to the CTA

Station and the Airport Check-In Facility in accordance with the City/CTA Agreement and at no cost to the Developer.

8.19 Public Benefit. In connection with the Phase I Project, the Developer will provide the public benefits specified in Exhibit L (Phase I Project Only). The payment of the public benefit payments shall be made as follows: (a) 25% on the Initial Closing Date; (b) 25% upon issuance of the permits for the caisson and/or slurry wall work for the Phase I Project; and (c) 50% at the time of issuance of the Phase I Project Certificate of Completion. In addition, the approximately 16,000 square foot ground level open space shall be available for use by the public in accordance with the terms and conditions of the Planned Development.

8.20 Approved Tenants Leasing Covenant. The Developer shall, in initially leasing the space in the Base Building and in leasing such space during the first three years after the issuance of a Phase I Project Certificate, lease such space only to Approved Tenants. Moreover, at no time during the Term of the Agreement (i.e., whether at the time of initial leasing, or upon any reletting), shall the Developer lease any space in the Base Building to any Prohibited Tenants. (Phase I Project Only)

8.21 Construction Of APCs. Although the Developer is not obligated to construct any APC under this Agreement, it is the parties' objective and expectation, as contemplated in this Agreement and the Planned Development, that the Residential Project and the Hotel Project will be built and that the Developer shall use good faith, commercially reasonable efforts to cause such APCs to be built. Towards such end, the Developer shall: (a) at all times after the Initial Closing Date actively market the Transfer of the APC Properties to prospective Approved Developers (unless Developer is itself actively taking steps to develop any such APC Property itself); (b) provide quarterly progress reports of such marketing efforts to the City; (c) at all times give good faith consideration to a proposed Transfer of an APC Property to an Approved Developer that is recommended by the City, so long as such Transfer would yield Net Transfer Proceeds that would enable the Developer to recover the Allocable Infrastructure Cost Amount for such APC and enable the City to be paid the APC Minimum Purchase Price (or more) subject, however, to the Developer's determination that the proposed Transfer would satisfy the conditions set forth in clauses (a) through (g) in the next paragraph; (d) if the Developer has not Transferred all of the APC Properties within seven (7) years of the date of this Agreement, accept and consider any development proposal submitted by the City in accordance with the following paragraph for any such APC Property that has not been Transferred for development.

If the Developer has not Transferred the Northeast Pad, the Northwest Pad (or neither of such Pads) within seven (7) years of the date of this Agreement, the City shall have the right to identify a potential developer for any such APC Property ("Proposed Developer") to whom Developer has not attempted to market the APC Property in the last six (6) months and present to Developer a proposal pursuant to which the Proposed Developer agrees to (a) reimburse Developer for the Allocable Infrastructure Costs Amount attributable to such APC, (b) develop the applicable APC Property in compliance with the Planned Development including an allocation of bulk under the Planned Development (e.g., FAR, density, parking, etc.) for the applicable APC as agreed to by the City and Developer in the exercise of each party's reasonable discretion and consistent with the terms of the Planned Development; (c) obtain the reasonable approval of Developer regarding compatibility of the design and exterior elevations for the APC with the balance of the Property as

developed by Developer; (d) consent to the reasonable terms and conditions of any reciprocal easement agreement or covenants, conditions and restrictions governing the respective rights and obligations of the various owners of the various components of the Property as a mixed use development; (e) satisfy Developer in Developer's reasonable judgment as to construction means and methods regarding the applicable APC Property in a manner that will minimize interference with the operation of the other component located on the Property and protect from damage those components having then been constructed; (f) indemnify, defend and hold Developer harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever related to the acquisition of the APC Property and the construction of the applicable APC; and (g) demonstrate that it otherwise qualifies as an Approved developer hereunder (collectively the "Development Proposal"). The Development Proposal shall also set forth the proposed purchase price for the APC Property and the allocation of Net Transfer Proceeds to the Developer and the City based upon the provisions of this Agreement after payment to the Developer of the amounts set forth in (a) above. After receipt of the Development Proposal, the Developer shall have a period of ninety (90) days from and after receipt of the Development Proposal to obtain a binding commitment for a development proposal satisfying the foregoing criteria which produce(s) Net Transfer Proceeds greater than the Development Proposal produced by the City, and in the event Developer fails to produce such a commitment for such an alternate development proposal within such period, Developer shall proceed in good faith to negotiate a attempt to execute a purchase contract with the proposed Developer and the Proposed Developer shall thereafter be deemed an Approved Developer.

Developer shall negotiate a purchase contract with the Proposed Developer in good faith and the City shall cooperate in good faith and in a reasonably commercial manner to work with both Developer and the Proposed Developer to arrive at a mutually agreeable transaction. In the event that said purchase contract shall not be executed or, having been executed, shall not be consummated, the City shall continue to have the right to seek another Proposed Developer and present Development Proposals to Developer so long as the Developer shall not have Transferred all the APC Properties.

Upon the Transfer of any APC Property to an Approved Developer, the Developer shall cooperate in good faith and in a commercially reasonable manner to work with such Approved Developer to construct the APC. Without limiting the generality of the foregoing, such cooperation shall include: creation of legal descriptions for each APC Property; preparation of any vertical plats of subdivision or similar measures to establish separate legal development rights; sharing of construction documents for the Phase I Project to the extent necessary to permit the Approved Developer to prepare construction documents for the APC; timely review of the APC's plans and specifications for the APC Project (if required); assistance in zoning approvals; joinder in permit applications (if required); coordination of construction staging efforts during the course of construction; provision of such information and execution of such documents as may reasonably be required to permit the Approved Developer to obtain its equity and debt financing for the APC (such as, for example, agreements that would allow equity investors and lenders to assume control of the APC and complete construction of the APC in the event of an Approved Developer default under the Approved Developer financing documents, provided, however, that there shall be no recourse to Developer under such Approved Developer financing documents); execution of reciprocal easement and common area operating agreements; and such other actions as may reasonably be required to enable the Approved Developer to construct the APC as an "add-on" component to the

mixed use project. The Approved Developer shall reimburse the Developer for its reasonably incurred costs in providing the assistance contemplated under this paragraph, unless such costs are separately included as part of the Allocable Infrastructure Costs Amount.

8.22 Survival of Covenants. Except as provided in the initial paragraph of Section 8, as applicable to APCs, all warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be governed by Section 7.02. In addition, the Developer's indemnification, defense and hold harmless obligations in Section 11 and Section 13 of the Agreement shall survive until the earlier to occur of (i) the Term of the Agreement, and (ii) the issuance of the APC Certificate for the second (i.e., the final) APC and the second (i.e., the final) Applicable Purchase Price Payment.

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 conveyance of the Land pursuant hereto and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

The provisions of this Section 10 shall initially apply to the Phase I Project and (except for the modifications pursuant to Section 10.04, which shall not apply to any APC) shall also apply to each APC. As applied to each APC, the following defined terms used in this Section 10 shall be construed to mean:

<u>The Defined Term</u>	<u>Shall Mean</u>
Developer	Developer or Approved Developer
Lender Financing	Committed And Available Financing
Phase I Project	APC
Phase I Project Budgets	APC Project Budget
Phase I Project G/C	APC G/C
Base Building MBE/WBE Budget	APC MBE/WBE Budget
Phase I Project P&S	APC P&S
Phase I Project Certificate	APC Certificate
Section 15.03	Section 15.07

For the purposes of clarifying and differentiating Developer's employment obligations under this Section 10 for certain parts of the Phase I Project, the term Phase I Project shall include two components, each of which has separate employment participation requirements. The first component includes the work funded with federal monies and subject to federal Disadvantaged

Business Enterprise (“DBE”), minority and women employment participation requirements, which work is referred to in this Section 10 as the “DBE Improvements.” Exhibit H-3 (the “DBE Improvements Budget”) generally describes the DBE Improvements and sets forth the budget for DBE Improvements. Exhibit I-3 (the “DBE Budget”) sets forth the DBE Budget which sets the DBE participation goals on the DBE Improvements. The second component includes work that is not funded with federal monies and is subject to the City’s City resident hiring and MBE/WBE requirements, which work is referred to in this Section 10 as the “MBE/WBE Improvements.” Exhibit H-1 (the “Base Building Budget”) sets forth the budget for the Base Building, which includes the cost of the Base Building and the Developer’s cost share of the Below Grade Improvements. Exhibit H-2 (the “CBS/Office Budget”) sets forth the budget for the CBS Base Building and Office Project. The collective work described and budgeted for in Exhibit I-1 (the “Base Building MBE/WBE Budget”) and Exhibit I-2 (the “CBS/Office MBE/WBE Budget”) sets forth the budget for MBE/WBE participation on the Base Building, and on the CBS Building and Office Project, respectively.

10.01 Employment Opportunity. The Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or its various contractors, subcontractors or any Affiliate of the Developer operating on the Phase I Project 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 all components of the Phase I Project:

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

(b) To the greatest extent feasible (and not in violation of applicable laws, rules and regulations), 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 MBE/WBE Improvements 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 construction of all components of the Phase I Project, and shall require inclusion of these provisions in every subcontract entered into by any contractors and subcontractors, so that each such provision shall be binding upon each contractor, subcontractor, 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 15.03 hereof.

10.02 City Resident Construction Worker Employment Requirement. This Section 10.02 applies only to the MBE/WBE Improvements and the line items associated with the construction of such work, as set forth in the Base Building Budget and the CBS/Office Budget. This Section 10.02 does not apply to the DBE Improvements or the line items associated with the construction of such work, set forth in the DBE Improvements Budget. The Developer agrees for itself and its successors and assigns, and shall contractually obligate its Phase I Project G/C and shall cause the Phase I Project G/C to contractually obligate its contractors and subcontractors, as applicable, to agree, that during the construction of the MBE/WBE Improvements, they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site in connection with the construction of the MBE/WBE Improvements shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its 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 Phase I Project G/C and each contractor and subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed in connection with the construction of the MBE/WBE Improvements. Each Employer shall maintain copies of personnel 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 Phase I Project G/C and each contractor and 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 Phase I Project G/C and each contractor and 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 Phase I Project.

At the direction of DPD, affidavits and other supporting documentation will be required of the Developer, the Phase I Project G/C and each contractor and 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 Phase I Project G/C and each contractor and 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 Phase I 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 or in a manner otherwise agreed to by the City, and such failure is not remedied by any City resident hiring credit provided for under the last paragraph of this Section 10.02, 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 incurred with respect to the line items set forth in the Base Building Budget and the CBS/Office Budget, 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, if not timely corrected, 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 Phase I Project G/C and/or the contractors and 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 MBE/WBE Improvements.

Although the City resident hiring requirements shall not be applicable to the DBE Improvements, if a City resident works on the DBE Improvements and the value or hours associated with such City resident's work are not counted towards satisfying either the Developer's federal DBE, minority or women participation requirements, then the hours worked by such City resident may be credited, at the Developer's option, in determining the Developer's compliance with its obligations under this Section 10.02 and any penalty payable hereunder. The value or hours associated with a City resident's work may be allocated in part to satisfy the Developer's federal DBE, minority or woman participation requirements, and in part to mitigate any City resident hiring shortfall, provided, however, that no credit or mitigation shall be permitted unless and until the value of such work or such worker's hours are no longer necessary to satisfy the federal participation requirements, which requirements are described more fully in Section 10.04. In crediting or allocating City resident worker hours under this Section 10.02, no hours may be double-counted to satisfy both federal participation and City resident worker hour requirements.

10.03 The Developer's MBE/WBE Commitment As used in this Section 10.03, as applied to each APC, "MBE Improvements" shall mean the APC improvements.

The Developer agrees for itself and its successors and assigns (including specifically, but without limitation, each Approved Developer), and, if necessary to meet the requirements set forth herein, shall contractually obligate the applicable Phase I Project G/C and its contractors and subcontractors to agree that during the construction of the MBE/WBE Improvements and each APC:

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

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

(b) For purposes of this Section 10.03 only:

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

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, 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 Phase I 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 Phase I Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the Phase I Project G/C (but only to the extent of any actual work performed on the Project by the Phase I Project G/C), by contracting or subcontracting or causing the Phase I Project G/C to contract or subcontract a portion of the MBE/WBE Improvement to one or more MBEs or WBEs, or by the purchase of materials or services used in the MBE/WBE Improvements from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE Phase I Project G/C, contractor or subcontractor without the prior written approval of DPD.

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

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

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

(g) Prior to the commencement of the MBE/WBE Improvements, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 10.03. The Phase I Project G/C and all major contractors and subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the construction of the MBE/WBE Improvements, the Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) contractor's and subcontractor's activity reports; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the MBE/WBE Improvements via written notice and meetings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to the Developer, be deemed a Developer Event of Default. Upon the occurrence of any such Developer 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 MBE/WBE Improvements; (2) consistent with Section 2-92-445 of the Municipal Code of Chicago, recover as damages One Dollar (\$1.00) for every One Dollar (\$1.00) of shortfall in meeting the participation requirement set forth in the Base Building MBE/WBE Budget and the CBS/Office MBE/WBE Budget (i.e., if such budgets required \$240,000 of MBE participation and \$40,000 of WBE participation, and actual MBE participation was \$200,000 and WBE participation was \$20,000, the liquidated damages payment would be \$60,000), or such other amount as may be determined under Section 2-92-445, and (3) seek any other remedies against the Developer available at law or in equity.

(h) The provisions of this Section 10.03 shall be applied, interpreted, tested and enforced separately for the MBE/WBE Improvements and each APC. The failure of Developer (or any Approved Developer) to satisfy the requirements of this Section 10.03 with respect to a given APC shall not give rise to any rights or remedy on the part of the City that shall be exercisable against the Developer (or any Approved Developer) for a separate APC.

(i) Although the City MBE/WBE hiring requirements shall not be applicable to the DBE Improvements, if a MBE or WBE works on the DBE Improvements and the contract value associated with such MBE or WBE's work is not counted towards satisfying the Developer's

federal, DBE, minority or women participation requirements, then the contract value of such MBE or WBE's work may be credited, at the Developer's option, towards the Developer's MBE or WBE obligations, as applicable, under this Section 10.03 and any penalty payable hereunder. The value of any contract associated with a MBE or WBE's work may be allocated in part to satisfy the Developer's federal DBE, minority or woman participation requirements, and in part to mitigate any MBE or WBE participation shortfall, provided, however, that no credit or mitigation shall be permitted unless and until such work is no longer necessary to satisfy such federal participation requirements, which requirements are described more fully in Section 10.04. In crediting or allocating the value of any contract associated with a MBE or WBE's work under this Section 10.02, no contract value may be double-counted to satisfy both federal participation and MBE and WBE contracting requirements.

Section 10.04. DBE Participation. This Section 10.04 supplements Section 10.02's City resident hiring requirements and Section 10.03's MBE and WBE participation requirements. The Phase I Project includes DBE Improvements, which will be funded by federal funds received by the CTA. Because of such funding, applicable federal law requires that the Developer satisfy certain federal DBE, minority and women participation requirements. While there is significant overlap between such federal participation requirements and the City's MBE and WBE participation requirements, this overlap is not exact. For this reason, and because of the impracticability of contracting and subcontracting separately for the DBE Improvements and the MBE/WBE Improvements, the construction of which is inextricably linked, the parties, the CTA and the City have agreed to the DBE participation requirements set forth in this Section 10.04 with respect to such DBE Improvements in lieu of the City resident hiring requirements in Section 10.02 and the MBE and WBE participation requirements of Section 10.03.

Exhibit I-3 sets forth the DBE Budget for the federal participation requirements for the DBE Improvements. In connection with the DBE Improvements, DBE contractors shall participate in 30% of the DBE Budget. In addition, not less than 19.6% of the worker hours associated with the hard construction costs of the DBE Improvements shall be performed by minorities and not less than 6.9% of the worker hours associated with the hard construction costs of the DBE Improvements shall be performed by women. Eligibility, monitoring, reporting and penalties for failure to achieve the federal DBE, minority and women participation requirements shall be determined, performed and enforced solely by CTA in accordance with the CTA/Mills Agreement.

SECTION 11. ENVIRONMENTAL MATTERS

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

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (i) the presence of

any 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 Phase I Project Property, or (ii) any liens against the Phase I Project Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City, the Developer or any of its Affiliates under any Environmental Laws.

In partial limitation of the indemnification set forth in the preceding paragraph, the Developer may propose for the City's consideration an environmental liability pollution policy, to be purchased by the Developer at the Developer's expense, naming the City as insured and covering third party claims asserted against the Property, or any portion thereof, or the Developer, or any owner of the Property, or any portion thereof. The Risk Management Department and DPD, upon review of the coverage limits, claims period, and other terms and conditions of such proposed policy, shall have authority to accept such pollution policy in partial limitation of such indemnification upon their determination, which shall be in the Risk Management Department's and DPD's reasonable discretion, that such insurance product is an acceptable alternative. To the extent such policy does not cover risks covered by the indemnification described above (whether due to exclusions, failure to comply with reporting requirements, or otherwise), such indemnification shall apply to cover such uncovered risks.

The City represents and warrants that as of the date of the introduction of this Agreement for City Council approval, there was no litigation pending, or, to the best of the City's knowledge, threatened, asserting a claim for a violation of Environmental Laws which would give rise to an indemnification obligation covered under clauses (i) and (ii) of this Section 11. Prior to the Initial Closing Date, the City and Developer shall compile a list of environmental reports that either side has prepared with respect to the Phase I Project Property. The disclosure of Hazardous Materials or other environmental conditions in such reports shall not, in the absence of the actual filing of litigation, or the City's receipt of written notice threatening litigation, with respect to any such disclosed matters shall not constitute litigation that is pending or threatened.

SECTION 12. INSURANCE

As used in this Section 12, references to the "Developer" shall mean both the Developer, with respect to the Phase I Project Property and the Developer or Approved Developer, as applicable, with respect to the APC (for so long as the Developer or an Approved Developer owns the Phase I Project or the APC, as applicable).

The Developer shall provide and maintain, or cause to be provided and maintained, at the Developer's own expense (or the expense of such other party as may be required to provide and maintain such insurance) during the Term of the Agreement at the periods specified below, the insurance coverages and requirements specified in Section 8.18(c) and below, insuring all operations related to the Phase I Project Property or APC Property, as applicable (provided, however, that with respect to the CTA Station and the Airport Check-In Facility, the insurance requirements under Section 8.18(c)(i) and this Section 12 shall be maintained by the CTA in accordance with the City/CTA Agreement, at no cost to the Developer).

(a) After Construction

(i) Workers Compensation Insurance

Workers Compensation Insurance, as prescribed by applicable law covering all employees of Developer with respect to the Phase I Project and all employees of an Approved Developer with respect to an APC who are to provide a service under this Agreement, and Employers Liability coverage of Developer with respect to the Phase I Project and of Approved Developer with respect to the APC with limits of not less than \$1,000,000 each accident or illness per employee.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$50,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: products/completed operations, independent contractors, and contractual liability. The City of Chicago, and its employees, agents and consultants (but not by individual name), are to be named as an additional insured with respect to such coverage on a primary, non-contributory basis.

(b) During Construction

(i) Workers Compensation Insurance

Workers Compensation Insurance, as prescribed by applicable law covering all employees of Developer with respect to the Phase I Project and all employees of an Approved Developer with respect to an APC who are to provide a service under this Agreement, and Employers Liability coverage of Developer with respect to the Phase I Project and of Approved Developer with respect to the APC with limits of not less than \$1,000,000 each accident or illness per employee.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$50,000,000 per occurrence for bodily injury, personal injury, and property damage liability; provided, however, that if such coverage is to be maintained by any contractor or subcontractor such limit shall only be \$1,000,000 in the case of any contractors or subcontractors whose contract or subcontract amount is less than \$100,000. Coverages shall include the following: products/completed operations (for a minimum of two (2) years following issuance of the applicable certificate of completion issued pursuant to Section 7), explosion, collapse, underground, independent contractors, and contractual liability. Such coverage shall include an endorsement deleting any exclusion of coverage for proximity to a railroad line. The City of Chicago (and its employees, agents and consultants, but not by individual name) are to be named as an additional insured with respect to such coverage

on a primary, non-contributory basis. With respect to the insurance to be provided under this Section 12(b)(ii) and Section 12(b)(i) above, Developer may use an Owner Controlled Self-Insurance Program (“OCIP”) or an equivalent (as reasonably determined by the City) managed insurance program.

(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 in connection with this Agreement, the Phase I Project G/C or APC G/C shall provide (or cause to be provided by their subcontractors) Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage if such coverage is not maintained by the Developer or an Approved Developer. The City of Chicago shall be named as an additional insured with respect to such coverage on a primary, non-contributory basis.

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or transit property, the Phase I Project G/C shall provide, or cause to be provided with respect to the operations that it 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. Such coverage need not be separately carried if the exclusion referenced in Section 12(b)(ii) is in full force and effect.

(v) Builders Risk Insurance

When the Phase I Project G/C or APC G/C undertakes any construction in connection with this Agreement, including improvements, and/or repairs, it 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 Phase I Project. The City of Chicago shall be named as a loss payee, with rights subject to those of any lender providing Lender Financing.

(vi) Professional Liability Insurance

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 by such professionals with limits of not less than \$1,000,000, and Developer (or the Approved Developer with respect to the APC) shall maintain Owner’s Protective Professional Indemnity Insurance with limits of not less than \$4,000,000 for each claim and annual aggregate applicable solely to the

Phase I Project. When a policy is renewed or replaced, the policy retroactive date must coincide with the start of work on the Agreement. The policy shall be endorsed to provide for an extended reporting period on claims for three (3) years and shall include the City of Chicago as an additional insured.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed in connection with this Agreement which may cause a pollution exposure, Contractor's Pollution Liability shall be provided on a claims made policy 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 the start of work under this 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 shall be named as an additional insured with respect to such coverage on a primary, non-contributory basis.

(c) 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 the Agreement. The Developer shall submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to the execution and delivery of this Agreement by the Developer and the City. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements set forth herein. 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. 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 this Agreement, and the City retains the right to terminate the defaulting party's rights under this Agreement until proper evidence of insurance is provided (provided, however, that before the City exercises any right to terminate this Agreement by reason of any such violation, Developer shall be entitled to the notice and cure period provided under Section 15.02 below).

The insurance shall provide for not less than 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self insured retentions on referenced insurance coverages that shall be borne by the Developer (or by the party providing such insurance coverages).

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 this Agreement.

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 this 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 and each Approved Developer shall require the Phase I Project G/C and APC G/C, respectively, and all of their respective contractors and subcontractors to provide and maintain the insurance required under of such parties under Section 12 unless such coverage is to be maintained by the Developer or an Approved Developer.

If the Developer, an Approved Developer, the Phase I Project G/C, an APC G/C, a contractor or subcontractor desires additional coverages, it 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 in a commercially reasonable manner.

SECTION 13. INDEMNIFICATION

The Developer and each Approved Developer (each, an "Indemnifying Party") each agree to severally (and in no case jointly or on behalf of others) 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) ("Indemnified Costs") suffered or incurred by the City arising from third party actions against the City in connection with (i) such Indemnifying Party's failure to comply with any of the terms, covenants and conditions contained within this Agreement that are applicable to it, or (ii) such Indemnifying Party's failure or such Indemnifying Party's general contractor's failure to pay the applicable general contractor, subcontractors or materialmen in connection with the Indemnifying Party's applicable portion of the mixed-use project, or (iii) such Indemnifying Party's making of any material misrepresentation or omission in this Agreement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by such Indemnifying Party or its agents, employees, contractors or persons acting under the control or at the request of the such Indemnifying Party, or (iv) such Indemnifying Party's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto. Nothing in this Section 13 shall be construed to obligate an Indemnifying Party to indemnify the City for any grossly negligent or intentional act of the City that gives rise to such third party actions.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. The Developer and each Approved Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully

disclose the cost of the Phase I Project and the APC, the Allocable Infrastructure Cost Amounts, the APC Purchase Price Payment and such other information as may reasonably necessary to confirm such parties' compliance with their obligations under this Agreement. All such books, records, returns and other documents, including but not limited to the loan statements, owner's sworn statements, contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's or Approved Developer's office for inspection, copying, audit and examination by an authorized representative of the City, at the expense of the Developer and Approved Developer. The Developer and Approved Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts it enters into with respect to the Phase I Project and each APC, as applicable.

14.02 Inspection Rights. Upon two (2) business days' notice, any authorized representative of the City shall have reasonable access to all portions of the Phase I Project Property and each APC Property (excluding confidential product information, trade secrets, proprietary product information and the like) during normal business hours for the Term of the Agreement for purposes of confirming compliance with this Agreement.

SECTION 15. DEFAULT AND REMEDIES

This Section 15 sets forth the Developer and Approved Developer defaults and the available City remedies for such defaults. Developer defaults are governed by Section 15.01 through Section 15.04. Approved Developer defaults and the available City remedies for such defaults are governed by Section 15.05 through Section 15.08.

15.01 Developer Events of Default. The occurrence of any one or more of the following events by the Developer which is not cured within the cure period specified below (it being understood that if no such period is specified, an immediate event of default shall exist) (a "Developer Event of Default") will entitle the City to exercise the applicable remedies described in Section 15.03:

(a) a breach of the Transfer and financing restrictions in Section 8.01(k), (l) or (n) or Section 18.15;

(b) a breach of Section 8.19 that is not cured within the period provided for in Section 15.02;

(c) a breach of Section 8.20 that is not cured within the period provided in Section 15.02;

(d) a breach of Section 8.21 that is not cured within the period provided in Section 15.02;

(e) the failure of the Developer to perform, keep or observe any of the other covenants, conditions, promises, agreements or obligations under this Agreement that is not cured within the period provided for in Section 15.02;

(f) 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 which is untrue or misleading in any material respect that is not cured within the period provided for in Section 15.02;

(g) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Phase I Project Property, including any fixtures now or hereafter attached thereto (but excluding equipment financing and purchase money security interests in personal property located on the Phase I Project Property), other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof, which is not cured within the cure period provided in Section 15.02;

(h) 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;

(i) the appointment of a receiver for Developer or for any substantial part of 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;

(j) the entry of any judgment or order against Developer or relating to the Phase I Project or the Phase I Project Property in an amount in excess of \$1,000,000 which remains unsatisfied or undischarged and in effect for ninety (90) days after such entry without a stay of enforcement or execution, which materially impacts the Developer's ability to perform its obligations under this Agreement;

(k) the institution in any court of a criminal proceeding against the Developer for any crime (other than a misdemeanor) which is not dismissed within ninety (90) days.

15.02 Curative Period for Developer Events of Default. The Developer shall promptly notify the City of any breach or default by Developer under this Agreement, provided, however, that an unintentional failure to notify the City shall not, in and of itself, be deemed a Developer Event of Default. In the event the Developer breaches or defaults under any representation, warranty, covenant or other obligation which the Developer is required to perform under this Agreement, (other than the Developer Events of Default described in Sections 15.01(a), (h), (i), (j) or (k), which either have no cure period or the cure period specified therein) a Developer Event of Default shall not be deemed to have occurred unless the Developer fails to perform such defaulted obligation within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default. If a Developer Event of Default, cannot be cured within thirty (30) days, and the Developer has commenced to cure such Developer Event of Default within such initial cure period and thereafter diligently prosecutes such cure to completion, then it shall not be an Event of Default as long as the Developer is proceeding with due diligence to remedy the same as reasonably practicable. Such extended cure period shall never apply to Developer Events of Default described in Sections 15.01(a), (b), (c), (d), (h), (i), (j), or (k).

15.03 City Remedies for Developer Events of Default. If a Developer Event of Default occurs, the City shall have the following rights and remedies depending on the nature of such default. If more than one Developer Event of Default occurs, the City will have the right to exercise the remedies applicable to each such default.

(a) if the Developer fails to obtain a Phase I Project Certificate pursuant to Section 7.01(a), the City shall have the rights and remedies in Section 7.03 of the Agreement;

(b) if a Developer Event of Default occurs under Section 15.01(a) (i.e., Transfer or financing restriction default), the City shall be entitled to injunctive relief, a rescission of any unpermitted Transfer, the recovery of all Net Transfer Proceeds from such unpermitted Transfer, and such other remedies as may be available at law or in equity.

(c) if a Developer Event of Default occurs under Section 15.01(b) (i.e., public benefit default under Section 8.19), the City shall be entitled to such injunctive relief, specific performance and such other remedies as may be available at law or in equity.

(d) if a Developer Event of Default occurs under Section 15.01(c) (i.e., leasing default under Section 8.20) the City shall be entitled to injunctive relief, a rescission of any unpermitted lease, and such other remedies as may be available at law or in equity.

(e) if a Developer Event of Default occurs under Section 15.01(c) (i.e., default under Section 8.21) the City may specifically enforce any of the provisions of Section 8.21 (which may include exercising its rights under Section 8.21(d) to facilitate the development of any APC Property prior to the end of the five year "standstill period").

(f) for a breach of any other representation, warranty, covenant or obligation of the Developer that is not cured, the City may terminate the rights and benefits of the Developer under this Agreement, or only such provisions hereof as the City may, in its sole discretion, elect to terminate, and shall have such other remedies as may be available at law or in equity.

(g) upon the occurrence of any Event of Default, the City may thereafter withhold its consent, in its sole discretion, to any further Transfers of any portion of the Phase I Project or any APC Property.

15.04 Remedies Exercisable Against Current Owner. The City may exercise the remedies provided for in Section 15.03 against the Developer or such other person or entity as holds title to the Phase I Project, or any portion thereof, at the time the City seeks enforcement of its remedies.

15.05 Approved Developer Events of Default. The occurrence of any one or more of the events described in Section 15.01(e) through (k), as applied to the Approved Developer and the APC (i.e., references to "Developer" and "Phase I Project" shall be construed to mean the Approved Developer and the APC) which is not cured within the cure period specified below (it being understood that if no such period is specified, an immediate event of default shall exist) (a "Approved Developer Event of Default") will entitle the City to exercise the applicable remedies described in Section 15.07:

15.06 Curative Period for Approved Developer Events of Default. The Approved Developer shall promptly notify the City of any breach or default by Approved Developer under this Agreement, provided, however, that an unintentional failure to notify the City shall not, in and of itself, be deemed an Approved Developer Event of Default. In the event the Approved Developer breaches or defaults under any representation, warranty, covenant or other obligation which the Approved Developer is required to perform under this Agreement, (other than the Approved Developer Events of Default described in Sections 15.01 (h), (i), (j) or (k), which either have no cure period or the cure period specified therein) an Approved Developer Event of Default shall not be deemed to have occurred unless the Approved Developer fails to perform such defaulted obligation within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default. If such an Approved Developer Event of Default cannot be cured within thirty (30) days, and the Approved Developer has commenced to cure such Approved Developer Event of Default within such initial cure period and thereafter diligently prosecutes such cure to completion, then the Approved Developer shall have up to an additional ninety (90) days time to cure such Approved Developer Event of Default. Such additional ninety (90) day (or longer) cure period shall never apply to Approved Developer Events of Default described in Sections 15.01 (h), (i), (j), or (k).

15.07 City Remedies for Approved Developer Events of Default. If an Approved Developer Event of Default occurs, the City shall have the following rights and remedies depending on the nature of such default. If more than one Approved Developer Event of Default Exists, the City will have the right to exercise the remedies applicable to each such default.

(a) if the Approved Developer fails to obtain an APC Certificate pursuant to Section 7.01(a), the City shall have the rights and remedies in Section 7.03 of the Agreement;

(b) for a breach of any other representation, warranty, covenant or obligation of the Approved Developer that is not cured, the City may terminate the rights and benefits of the Approved Developer under this Agreement, or only such provisions hereof as the City may, in its sole discretion, elect to terminate, and shall have such other remedies as may be available at law or in equity.

15.08 Remedies Exercisable Against Current Owner. The City may exercise the remedies provided for in Section 15.07 against the Approved Developer or such other person or entity as holds title to the APC at the time the City seeks enforcement of its remedies.

SECTION 16. MORTGAGES

There are no mortgages encumbering the Phase I Project Property or any portion thereof as of the date hereof. Any new mortgage permitted as Lender Financing or otherwise permitted under Section 8.01 is referred to herein collectively as the "Permitted Mortgage(s)," and the holder of any such Permitted Mortgage is referred to herein as a "Permitted Mortgagee." In the event that any Permitted Mortgagee succeeds to the Developer's interest in the Phase I Project Property or any portion thereof pursuant to the exercise of remedies under a Mortgage, whether by foreclosure or deed in lieu of foreclosure, or by other enforcement proceeding under any Permitted Mortgage, or by obtaining an assignment of the Developer's interest in lieu of foreclosure or through settlement of any pending or threatened foreclosure proceeding, and accepts an assignment of the Developer's

interest hereunder in accordance with Section 18.15 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement. If any Permitted Mortgagee does not accept an assignment of the Developer's interest in accordance with Section 18.15, such Mortgagee shall be bound only by covenants that run with the land specified in Section 7.

The City agrees to provide any Permitted Mortgagee notices sent pursuant to Section 17 and to permit any Permitted Mortgagees an additional 90 days beyond the cure date determined under Section 15.02 to cure any default for which a cure period is provided for herein and, if applicable, to provide the aforesaid written assurance and acceptance of assignment of the Developer's interest.

The City agrees to enter into a written agreement with any Permitted Mortgagee for the purpose of confirming the undertakings expressly set forth above. In no event shall any such agreement increase the City's obligations, further reduce the City's right or remedies, or reduce in any respect the obligations of the Developer under this Agreement.

SECTION 17. NOTICE

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

If to the City:	City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
And a copy to:	U.S. Equities Realty 20 North Michigan Avenue Chicago, Illinois 60602 Attention: Martin Stern
If to the Developer:	Block 37, L.L.C. c/o The Mills Corp. 7610 W. Grand Gurnee, Illinois 60031 Attention: Steve Jacobsen

With a copy to: DLA Piper Rudnick Gray Cary
203 N. LaSalle Street, Suite 1800
Chicago, Illinois 60601
Attention: David Reifman, Esq.
Robert Goldman, Esq.

With a copy to: The Mills Corporation
1300 Wilson Boulevard, Suite 400
Arlington, Virginia 22209
Attention: General Counsel

Such addresses may be changed, and notice provisions for Approved Developers added, 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 materially amended without the consent of the City Council and the written consent of the Developer; provided, however, that (a) the Commissioner of DPD shall have the unilateral right to amend or add exhibits in order to (i) update or correct legal descriptions, or descriptions of Project Improvements, and (ii) update Exhibit D (the Allocable Infrastructure Cost Amount Schedule), and (iii) update budgets approved in accordance with the terms of Section 3 or Section 10 or prepared in connection with the development of an APC.

18.02 Entire Agreement. This Agreement (including the Exhibits attached hereto, which are 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 Approved Developer, or any successor in interest to such parties in the event of any default or breach by the City under the terms of this Agreement.

18.04 Further Assurances. The Developer and each Approved Developer agree 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, including, specifically, but without limitation, Section 8.21.

18.05 Waiver. Waiver by the City, the Developer or any Approved Developer with respect to any breach or default under 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, the Developer or any such Approved Developer in writing.

18.06 Remedies Cumulative. The remedies of the City 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. Without limiting the generality of the foregoing, the City remedies under Section 10.03 may be exercised separately or in conjunction with the City's exercise of its remedies under Section 15.03. Furthermore, the City may exercise its rights both under this Agreement and under the Guaranty at the same time.

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; provided, however, that if Section 8.21, or any material portion thereof, is held to be invalid, the City's remedies shall not be limited to those set forth in Section 15.03(e), and the City shall have whatever remedy may be available to it at law or in equity.

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the ordinance approving this Agreement, such ordinance shall prevail and control.

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the 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 certificates or otherwise administering this Agreement for the City.

18.15 Assignment. Except for Permitted Transfers, the Developer may not sell, assign or otherwise transfer its interest in the Land, the Phase I Project or in this Agreement in whole or in

part without the written consent of the City, which shall be in the City's sole discretion. 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 Developer Parties, any Approved Developer, the City and their respective permitted successors and permitted assigns (as provided herein).

18.17 Force Majeure. Neither the City, nor the Developer, nor any Approved Developer, nor any successor in interest to any 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 or act of terrorism, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact delay such party in discharging its obligations hereunder.

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 with respect to such party only.

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

18.21 No Third Party Beneficiary. This Agreement is for the sole and exclusive benefit of the City, the Developer, any Approved Developer and their permitted successors and permitted assigns. No other person or entity (excluding Permitted Mortgagees, for purposes of Section 16),

is an intended third party beneficiary or shall have the right to enforce any of the provisions of this Agreement.

18.22 Patriot Act Certification. Neither the Developer, either of the Developer Parties nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

As used in the above paragraph, and "Affiliate" shall be deemed to be a person or entity related to the Developer or the Developer Parties that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Developer or the Developer Parties, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

18.23 Executive Order 2005-1. Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

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

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

“Bundle” means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

“Other Contract” means any other agreement with the City of Chicago to which Developer is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

“Contribution” means a “political contribution” as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are “Domestic Partners” if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 - 1. The partners have been residing together for at least 12 months.
 - 2. The partners have common or joint ownership of a residence.
 - 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.

4. Each partner identifies the other partner as a primary beneficiary in a will.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

The provisions of this Section 18.23 are applicable to contributions and actions on and after February 10, 2005, the effective date of Mayoral Executive Order No. 05-1.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.
SIGNATURE PAGE FOLLOWS]

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.

DEVELOPER

BLOCK 37, L.L.C., a Delaware limited liability company

By: The Mills Limited Partnership, a Delaware limited partnership, its beneficiary

By: The Mills Corporation, a Delaware corporation, its general partner

By: 
Name: JAMES F. DAUSCH
Its: President, Development Division



CITY

CITY OF CHICAGO, a municipal corporation, acting by and through its Department of Planning and Development

By: _____
Denise Casalino, Commissioner

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.

DEVELOPER

BLOCK 37, L.L.C., a Delaware limited liability company

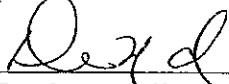
By: The Mills Limited Partnership, a Delaware limited partnership, its beneficiary *M.A. 10/25/04*

By: The Mills Corporation, a Delaware corporation, its general partner

By: _____
Name: _____
Its: _____

CITY

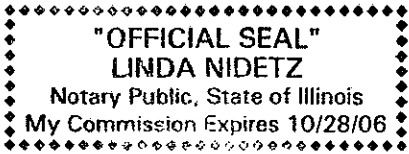
CITY OF CHICAGO, a municipal corporation, acting by and through its Department of Planning and Development

By:  _____
Denise Casalino, Commissioner

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, Linda Nidetz, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that James T. Dausch, personally known to me to be the President, Development Division, of The Mills Corp., a Delaware corporation, the General Partner of Block 37, L.L.C., a Delaware limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his free and voluntary act and deed, and as the free and voluntary act and deed of such company for the uses and purposes therein set forth.

Given under my hand and official seal this 15th day of October, 2005.



Linda Nidetz

Notary Public

LIST OF EXHIBITS

Exhibit A	Redevelopment Area Legal Description
Exhibit B	Land Legal Description
Exhibit C	Project Plans and Elevations
Exhibit D	Allocable Infrastructure Cost Amount Schedule
Exhibit E	Approved and Prohibited Tenants Criteria
Exhibit F	Notice of Proposed Transfer
Exhibit G	Permitted Liens
Exhibit H-1	Base Building Budget
Exhibit H-2	CBS/Office Budget
Exhibit H-3	DBE Improvements Budget
Exhibit I-1	Base Building MBE/WBE Project Budget
Exhibit I-2	CBS/Office MBE/WBE Budget
Exhibit I-3	DBE Budget
Exhibit J	Fee Waivers
Exhibit K	Opinion of Counsel
Exhibit L	Public Benefits

EXHIBIT A

REDEVELOPMENT AREA LEGAL DESCRIPTION

[SEE ATTACHED]

EXHIBIT A

REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

Legal Description Of North Loop Area.

Redevelopment Project Area Legal Description.

A tract of land consisting of lots and blocks or parts thereof and streets and alleys of Blocks 16, 17, 35, 36, 37 and 58 in the Original Town of Chicago in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 and part of Blocks 8 and 9 in the Fort Dearborn Addition to Chicago in the southwest fractional quarter of Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in the City of Chicago, County of Cook, State of Illinois and bounded as follows:

beginning at the intersection of the south line of West Lake Street and the west line of North LaSalle Street; thence north along the west line of North LaSalle Street to the north line extended west of West Haddock Place; thence east along said line to the west line of North Clark Street; thence north along said west line to the northerly line of West Wacker Drive as said northerly line was established by ordinance passed by the City Council of the City of Chicago on December 15, 1919; thence east along said northerly line of West Wacker Drive to the east line of North State Street; thence south along said east line to the north line of Haddock Place; thence east along said line to the east line of Lot 28 extended north of Block 8 in Fort Dearborn Addition to Chicago as aforesaid; thence south along the east line of Lot 28 as aforesaid to the north line of East Lake Street; thence east along said north line to the east line of Lot 10 extended north of Block 9 in Fort Dearborn Addition to Chicago as aforesaid; thence south along the east line of Lot 10 as aforesaid to the north line of East Benton Place; thence east along said north line to the east line of North Wabash Avenue; thence south along said line to the south line of East Randolph Street; thence west along said south line to the east line of North State Street; thence south along said east line to the south line extended east of Lot 1 of Assessor's Re-subdivision of Lots 1 to 5 in Block 58 in Assessor's Division of the Original Town of Chicago as aforesaid; thence west along said extended line to the west line of said Lot 1; thence north along said line to the south line of West Washington Street; thence west along south line to the west line of North Dearborn Street; thence north along said west line to the south line of West Randolph Street; thence west along said south line to the west line of North Clark Street; thence north along said west line to the south line of West Lake Street; thence west along said south line to the place of beginning.

Legal Description Of Added Area.

The boundaries of the Added Project Area are legally described as follows:

Subarea I.

A tract of land comprised of all or parts of Blocks 19, 20, 31, 32, 33, 40 and 41 in the Original Town of Chicago, together with parts of streets and alleys adjoining said blocks, in the south half of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, which tract is more particularly described as follows:

beginning at the intersection of the west line of North LaSalle Street, as widened, with the north line of Block 33; thence west along said north line (being also the south line of West Lake Street) to the west line of said block; thence south along said west line (being also the east line of North Wells Street) to the north line of West Couch Place; thence east along said north line to an intersection with the northward extension of the west line of Lot 7 in Block 33; thence south along said extension, and along said west line, to the south line of said block; thence east along said south line (being also the north line of West Randolph Street) and along the eastward extension of said south line, to an intersection with the northward extension of the west line of Block 39 in the Original Town of Chicago; thence south along said extension, and along said west line (being also the east line of North LaSalle Street) to an intersection with the eastward extension of the south line of West Court Place; thence west along said extension and along said south line to the west line of Block 40 aforesaid; thence west, crossing North Wells Street, to the northeast corner of Lot 8 in Block 41 aforesaid; thence west along the north line of said lot to an intersection with the southward extension of the west line of Lot 1 in said block; thence north along said extension and along said west line, to the north line of Block 41; thence west along said north line (being also the south line of West Randolph Street) to the northwest corner of said block; thence west, crossing North Franklin Street, to the northeast corner of Block 42 in the Original Town of Chicago; thence west along the north line of said Block 1 (being also the south line of West Randolph Street) to an intersection with the southward extension of the west line of the east 20 feet of Lot 7 in Block 31 aforesaid; thence north along said extension and along said west line, to the north line of West Couch Place; thence east along said north line to the east line of Block 31; thence north along said east line (being also the west line of North Franklin Street) and along the

northward extension of said east line to an intersection with the westward extension of the south line of Block 20 aforesaid; thence east along said extension, and along said south line (being also the north line of West Lake Street) to the west line of North Post Place; thence north along said west line and along the northward extension thereof, to an intersection with the westward extension of the north line of West Haddock Place; thence east along said extension and along said north line to the east line of Block 20; thence east, crossing North Wells Street, to the intersection of the west line of Block 19 aforesaid with the north line of West Haddock Place; thence east along said north line to an intersection with the west line of North LaSalle Street as widened; thence south along said west line to the south line of Block 19; thence south, crossing West Lake Street, to the point of beginning, in the City of Chicago, Cook County, Illinois.

Subarea 2.

A tract of land comprised of part of Block 58 and parts of adjacent streets and alleys in the Original Town of Chicago in Section 9, together with all or parts of Blocks 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14 and 15 and parts of adjacent streets and alleys in Fort Dearborn Addition to Chicago in Section 10, and all or parts of Blocks 1 through 10, and all or parts of Blocks 1 through 10, inclusive, and parts of adjacent streets and alleys in Fractional Section 15 Addition to Chicago, and all or parts of Blocks 113, 114, 120, 122, 123, 124, 137, 138, 139, 140, 141 and 142 in School Section Addition to Chicago, all in Township 39 North, Range 14 East of the Third Principal Meridian, which tract of land is more particularly described as follows:

beginning at the northwest corner of Block 8 in Fort Dearborn Addition to Chicago in Section 10 aforesaid; thence east along the north line of said block (being also the south line of East Wacker Drive) to the northeast corner of Lot 6 in said block; thence south along the east line of said lot to the north line of East Haddock Place; thence west along said north line to an intersection with the northward extension of the east line of Lot 28 in Block 8; thence south along said extension, and along said east line, to the south line of said block; thence east along said south line (being also the north line of East Lake Street) to an intersection with the northward extension of the east line of Lot 10 in Block 9 of Fort Dearborn Addition to Chicago; thence south along said extension, and along said east line to the north line of East Benton Place; thence east along said north line, and along the eastward extension thereof, to an intersection with the northward extension of the west line of the south part of Block 10 in Fort Dearborn Addition to Chicago; thence south along said extension, and along said west line (being also the east line of North Wabash Avenue) and along the southward extension thereof, to an

intersection with the eastward extension of the north line of Block 13 in said Fort Dearborn Addition; thence west along said extension to the northeast corner of said Block 13; thence south along the east line of said block (being also the west line of North Wabash Avenue) to the southeast corner of said block; thence west along the south line of said block (being also the north line of East Washington Street) to an intersection with the northward extension of the west line of Block 14 in Fort Dearborn Addition; thence south along said extension, and along said west line (being also the east line of North State Street) to an intersection with the eastward extension of the south line of Lot 1 in Assessor's Resubdivision of Sublots 1 to 5 of Assessor's Division of Lots 1, 2, 3, 4 and 5 of Block 58 in the Original Town of Chicago aforesaid; thence west along said extension, crossing North State Street and entering Section 9 aforesaid, and continuing along said south line of said Lot 1, to the southwest corner of said lot; thence north along the west line of said lot to the north line of Block 58; thence west along said north line (being also the south line of West Washington Street) to the northwest corner of Lot 7 in Assessor's Division of Lots 1, 2, 3, 4 and 5 of Block 58; thence south along the west line of said lot to the north line of West Calhoun Place; thence west along said north line, and along the westward extension thereof, to an intersection with the northwest extension of the east line of the south part of Block 57 in the Original Town of Chicago aforesaid; thence south along said extension and along said east line (being also the west line of North Dearborn Street) and along the southward extension of said east line to the southeast corner of said Block 57; thence southward, crossing West Madison Street and entering Section 16, to the northeast corner of Block 119 in School Section Addition aforesaid; thence south along the east line of said block (being also the west line of South Dearborn Street) to an intersection with the westward extension of the north line of Lot 20 in the subdivision of Block 142 in said School Section Addition; thence east along said extension, and along said north line, to the northeast corner of said lot; thence south along the east line of Lots 20 through 27, inclusive, in said subdivision, and along the southward extension thereof, to an intersection with the north line of Block 141 in School Section Subdivision aforesaid, thence east along said north line (being also the south line of West Monroe Street) to the northwest corner of the east half of Lot 3 in said Block 141; thence south along the west line of the east half of said lot to the north line of West Marble (hydraulic) Place; thence west along said north line, and the westward extension thereof, to an intersection with the northward extension of the east line of Lot 20 in County Clerk's Division of Block 120 in School Section Addition; thence south along said extension, and along said east line (being also the west line of South Dearborn Street) and along the southward extension of said east line, to an intersection with the westward extension of the north line of Block 140 in School Section Addition; thence east along said extension and along said north line (being also the south line of West Adams Street) to an intersection

with the west line of the east 25 feet of Lot 5 in the subdivision of Blocks 83, 92 and 140 in School Section Addition; thence south along said west line to an intersection with the westward extension of the south line of the alley in the subdivision of Lots 3 and 4 in said Block 140; thence east along said extension and along said south line to an angle point; thence southeastwardly along a southwesterly line of said alley to an angle point; thence south along a west line of said alley and along the southward extension thereof, to an intersection with the north line of Lot 13 in the aforementioned subdivision of Blocks 83, 92 and 140; thence east along said north line (being also the south line of West Quincy Street) to the northeast corner of said Lot 13; thence south along the east line of said lot to the south line of Block 140; thence west along said south line (being also the north line of West Jackson Boulevard) and along the westward extension thereof, to an intersection with the northward extension of the east line of Lots 1, 4, 8, 11, 14, 17, 20 and 23 in Wright's Subdivision of Block 122 in School Section Addition; thence south along said extension, and along said east line (being also the west line of South Federal Street) to the southeast corner of said Lot 23; thence west along the south line of said Lot 23 and the westward extension thereof, and also along the south line of Lot 22 in Wright's Subdivision (being also the north line of West Van Buren Street) to the southwest corner of said Lot 22; thence west, crossing South Clark Street, to the southeast corner of Lot 22 in the subdivision of Block 115 of School Section Addition aforesaid; thence west along the south line of said Lot 22 and Lot 23 (being also the north line of West Van Buren Street) to the southwest corner of said Lot 23; thence west, crossing South LaSalle Street, to the southeast corner of that part of said street vacated by ordinance passed February 29, 1980, and recorded August 12, 1980, as Document Number 25545766; thence south along the southward extension of the east line of said vacation to an intersection with the north line of Lot 3 in the subdivision of Block 114 of School Section Addition; thence east along said north line (being also the south line of West Van Buren Street) to the northeast corner of said lot; thence south along the east line of Lots 3, 4, 9, 10, 15, 16, 21 and 22 (being also the west line of South LaSalle Street) to the southeast corner of said Lot 22; thence south, crossing West Congress Parkway as said expressway is defined by the general ordinance passed October 31, 1940, to the intersection of the east line of Lot 6 in T. G. Wright's Subdivision of Block 113 in School Section Addition with the south line of said West Congress Parkway; thence east along said south line to an intersection with the east line of Lot 9 (said east line being also the west line of South Plymouth Court) in C. L. and I. Harmon's Subdivision of Block 137 in School Section Addition; thence north, crossing West Congress Parkway, to the intersection of the east line of Lot 24 in T. G. Wright's Subdivision of Block 138 in School Section Addition with the north line of said expressway; thence east along the north line of said West Congress Parkway, and along the north line of East Congress Parkway,

entering into Section 15 aforesaid, to an intersection with the west line of Sublot 2 of Lot 10 in Canal Trustee's Subdivision of Block 10 of Fractional Section 15 Addition to Chicago; thence south along said west line to said north line of East Congress Parkway; thence east along said north line to the east line of South Michigan Avenue as widened; thence north along said widened line, entering Section 10 aforesaid, to an intersection with the north line of Block 6 in Fort Dearborn Addition aforesaid; thence east along said north line (being also the south line of East South Water Street) to an intersection with the southward extension of the east line of Lot 6 in Dyer's Subdivision of Lots 6, 7, 8, 9, 10 and 11 in Block 5 of Fort Dearborn Addition to Chicago; thence north along said extension, and along said east line, to the northeast corner of said lot; thence north, crossing a 20 foot wide alley, to a point on the south line of Lot 11 in Dyer's Subdivision, which is 124.00 feet east of the southwest corner of said lot; thence north along a line 124.00 feet east from, and parallel with, the west line of aforementioned Block 5, to an intersection with the south line of Lot 5 in said block; thence north to a point on the north line of Lot 1 in said block which is 121.18 feet east from the northwest corner of said lot; thence continuing north along a northward extension of the last described line to an intersection with the northerly line of East Wacker Drive (River Street) as widened; thence westwardly, southwestwardly, north and southwestwardly along said northerly line, and along the southerly dock line of the Chicago River to an intersection with the northward extension of the west line of Block 8 of Fort Dearborn Addition aforesaid; thence south along said extension to the point of beginning; excepting from the above described tract Lots 19 through 25, inclusive, in Block 10 in Fort Dearborn Addition to Chicago; in the City of Chicago, Cook County, Illinois.

EXHIBIT B

LAND LEGAL DESCRIPTION

[SEE ATTACHED]

EXHIBIT B

LAND LEGAL DESCRIPTION

AT-GRADE LEGAL DESCRIPTION

A TRACT OF LAND CONSISTING OF ALL LOTS, STREETS AND ALLEYS WITHIN BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH A STRIP OF LAND LYING EAST OF AND ADJOINING SAID BLOCK 37 AND WEST OF THE WEST LINE OF STATE STREET AS ESTABLISHED BY AN ACT OF THE LEGISLATURE OF THE STATE OF ILLINOIS, APPROVED MARCH 3, 1845 EXCEPTING THEREFROM THAT PART THEREOF DESCRIBED AS FOLLOWS:

THAT PART OF THE SOUTH HALF OF THE VACATED WEST COURT PLACE LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 5 IN BLOCK 37 IN THE ORIGINAL TOWN OF CHICAGO,
AND,

THAT PART OF LOT 5 IN SAID BLOCK 37 IN THE ORIGINAL TOWN OF CHICAGO, LYING NORTH OF A LINE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE WEST LINE OF SAID LOT 5 WHICH IS 55 FEET 10 INCHES SOUTH FROM THE NORTHWEST CORNER OF SAID LOT 5, AND RUNNING; THENCE EAST ALONG A STRAIGHT LINE TO A POINT ON THE EAST LINE OF SAID LOT 5 WHICH IS 54 FEET 6 INCHES SOUTH FROM THE NORTHEAST CORNER OF SAID LOT 5. EXCEPTING FROM SAID PART OF LOT 5 THAT PART THEREOF WHICH IS DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF SAID LOT 5, WHICH IS 55 FEET 10 INCHES SOUTH OF THE NORTHWEST CORNER OF SAID LOT; THENCE EAST FOR A DISTANCE OF 54 FEET ALONG A STRAIGHT LINE, WHICH IF EXTENDED, WOULD INTERSECT THE EAST LINE OF SAID LOT 5 AT A POINT 54 FEET 6 INCHES SOUTH OF THE NORTHEAST CORNER OF SAID LOT; THENCE NORTH, 4 FEET 8 INCHES; THENCE WEST, 54 FEET TO THE WEST LINE OF SAID LOT; THENCE SOUTH, 4 FEET 8 INCHES TO THE PLACE OF BEGINNING IN COOK COUNTY, ILLINOIS.

CONTAINING IN 119,558 SQUARE FEET (2.7447 ACRES) OF LAND, MORE OR LESS.

ABOVE- AND BELOW-GRADE LEGAL DESCRIPTION

P1 (Below Grade on West Randolph Street)

THAT PART OF WEST RANDOLPH STREET AND THAT PART OF NORTH STATE STREET AND THAT PART OF NORTH DEARBORN STREET, ALL TAKEN AS A TRACT IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF -85.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9; THENCE SOUTH 89°08'58" EAST, ALONG THE NORTH LINE OF BLOCK 37, AFORESAID, AND THE EASTERLY EXTENSION THEREOF, 324.63 FEET TO THE WEST LINE OF STATE STREET AS ESTABLISHED BY AN ACT OF THE LEGISLATURE OF THE STATE OF ILLINOIS, APPROVED MARCH 3, 1845; THENCE SOUTH 89°08'58" EAST, ALONG SAID EASTERLY EXTENSION, 16.00 FEET TO A POINT ON A LINE DRAWN 16.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF STATE STREET, AFORESAID; THENCE NORTH 00°00'00" EAST, ALONG SAID PARALLEL LINE, 16.31 FEET TO A POINT ON A LINE DRAWN 16.31 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 37; THENCE NORTH 89°08'58" WEST, ALONG THE LAST MENTIONED PARALLEL LINE, 356.92 FEET TO A POINT ON A LINE DRAWN 16.29 FEET WEST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 37; THENCE SOUTH 00°01'10" WEST, ALONG THE LAST MENTIONED PARALLEL LINE, 16.31 FEET TO A POINT ON THE WESTERLY EXTENSION OF THE NORTH LINE OF SAID BLOCK 37; THENCE SOUTH 89°08'58" EAST, ALONG SAID WESTERLY EXTENSION, 16.29 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 5,821 SQUARE FEET, MORE OR LESS.

P2 (Below Grade on North State Street)

THAT PART OF NORTH STATE STREET IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF -85.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE EASTERLY EXTENSION OF THE NORTH LINE OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9 WITH THE WEST LINE OF STATE STREET AS ESTABLISHED BY AN ACT OF THE LEGISLATURE OF THE STATE OF ILLINOIS, APPROVED MARCH 3, 1845; THENCE SOUTH 89°08'58" EAST, ALONG SAID EASTERLY EXTENSION, 16.00 FEET TO A POINT ON A LINE DRAWN 16.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF STATE STREET, AFORESAID; THENCE SOUTH 00°00'00" WEST, ALONG SAID PARALLEL LINE, 384.07 FEET TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF SAID BLOCK 37; THENCE NORTH 88°54'02" WEST, ALONG THE LAST MENTIONED EASTERLY EXTENSION, 16.00 FEET TO THE WEST LINE OF STATE STREET, AFORESAID; THENCE NORTH 00°00'00" EAST, ALONG THE WEST LINE OF STATE STREET, AFORESAID, 384.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 6,145 SQUARE FEET, MORE OR LESS.

P3 (Below Grade on West Washington Street)

THAT PART OF WEST WASHINGTON STREET AND THAT PART OF NORTH STATE STREET AND THAT PART OF NORTH DEARBORN STREET, ALL TAKEN AS A TRACT IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF -85.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9; THENCE SOUTH 88°54'02" EAST, ALONG THE SOUTH LINE OF BLOCK 37, AFORESAID, AND THE EASTERLY EXTENSION THEREOF, 324.79 FEET TO THE WEST LINE OF STATE STREET AS ESTABLISHED BY AN ACT OF THE LEGISLATURE OF THE STATE OF ILLINOIS, APPROVED MARCH 3, 1845; THENCE SOUTH 88°54'02" EAST, 16.00 FEET TO A POINT ON A LINE DRAWN 16.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF STATE STREET, AFORESAID; THENCE SOUTH 00°00'00" WEST, ALONG SAID PARALLEL LINE, 16.00 FEET TO A POINT ON A LINE DRAWN 16.00 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID BLOCK 37; THENCE NORTH 88°54'02" WEST, ALONG THE LAST MENTIONED PARALLEL LINE, 357.09 FEET TO A POINT ON A LINE DRAWN 16.29 FEET WEST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 37; THENCE NORTH 00°01'10" EAST, ALONG THE LAST MENTIONED PARALLEL LINE, 16.00 FEET TO A POINT ON THE WESTERLY EXTENSION OF THE SOUTH LINE OF SAID BLOCK 37; THENCE SOUTH 88°54'02" EAST, ALONG SAID WESTERLY EXTENSION, 16.29 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 5,173 SQUARE FEET, MORE OR LESS.

P4 (Below Grade on North Dearborn Street south of ComEd substation property)

THAT PART OF NORTH DEARBORN STREET IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF -85.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9; THENCE NORTH 00°01'10" EAST, ALONG THE WEST LINE OF BLOCK 37, AFORESAID, 131.13 FEET TO A POINT WHICH IS 51.16 FEET SOUTH OF THE NORTHWEST CORNER OF LOT 5 IN BLOCK 37, AFORESAID, AS MEASURED ALONG THE WEST LINE OF SAID LOT 5; THENCE NORTH 89°58'46" WEST, 16.29 FEET TO A LINE DRAWN 16.29 FEET WEST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 37; THENCE SOUTH 00°01'10" WEST, ALONG SAID PARALLEL LINE, 130.82 FEET TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF SAID BLOCK 37; THENCE SOUTH 88°54'02" EAST ALONG SAID WESTERLY EXTENSION, 16.29 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 2,134 SQUARE FEET, MORE OR LESS.

P5 (Below Grade on North Dearborn Street north of ComEd substation property)

THAT PART OF NORTH DEARBORN STREET IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF -85.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9; THENCE SOUTH $00^{\circ}01'10''$ WEST, ALONG THE WEST LINE OF BLOCK 37, AFORESAID, 200.29 FEET TO THE NORTHWEST CORNER OF LOT 5 IN BLOCK 37, AFORESAID; THENCE NORTH $89^{\circ}01'30''$ WEST, 16.29 FEET TO A LINE DRAWN 16.29 FEET WEST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 37; THENCE NORTH $00^{\circ}01'10''$ EAST, ALONG SAID PARALLEL LINE, 200.26 FEET TO THE WESTERLY EXTENSION OF THE NORTH LINE OF SAID BLOCK 37; THENCE SOUTH $89^{\circ}08'58''$ EAST ALONG SAID WESTERLY EXTENSION, 16.29 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 3,262 SQUARE FEET, MORE OR LESS.

P6 (Lower Level Above Grade [approximately 0 to 15 feet] on West Randolph Street)

THAT PART OF WEST RANDOLPH STREET AND THAT PART OF NORTH STATE STREET, ALL TAKEN AS A TRACT IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +29.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9; THENCE SOUTH $89^{\circ}08'58''$ EAST, ALONG THE NORTH LINE OF BLOCK 37, AFORESAID, AND THE EASTERLY EXTENSION THEREOF, 324.63 FEET TO THE WEST LINE OF STATE STREET AS ESTABLISHED BY AN ACT OF THE LEGISLATURE OF THE STATE OF ILLINOIS, APPROVED MARCH 3, 1845; THENCE SOUTH $89^{\circ}08'58''$ EAST, ALONG SAID EASTERLY EXTENSION, 1.50 FEET TO A POINT ON A LINE DRAWN 1.50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF STATE STREET, AFORESAID; THENCE NORTH $00^{\circ}00'00''$ EAST, ALONG SAID PARALLEL LINE, 1.50 FEET TO A POINT ON A LINE DRAWN 1.50 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 37; THENCE NORTH $89^{\circ}08'58''$ WEST, ALONG THE LAST MENTIONED PARALLEL LINE, 326.13 FEET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF SAID BLOCK 37; THENCE SOUTH $00^{\circ}01'10''$ WEST, ALONG SAID NORTHERLY EXTENSION, 1.50 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 489 SQUARE FEET, MORE OR LESS.

P7 (Lower Level Above Grade [approximately 0 to 15 feet] on North State Street)

THAT PART OF NORTH STATE STREET IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +29.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE EASTERLY EXTENSION OF THE NORTH LINE OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9 WITH THE WEST LINE OF STATE STREET AS ESTABLISHED BY AN ACT OF THE LEGISLATURE OF THE STATE OF ILLINOIS, APPROVED MARCH 3, 1845; THENCE SOUTH $89^{\circ}08'58''$ EAST, ALONG SAID EASTERLY EXTENSION, 1.50 FEET TO A POINT ON A LINE DRAWN 1.50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF STATE STREET, AFORESAID; THENCE SOUTH $00^{\circ}00'00''$ WEST, ALONG SAID PARALLEL LINE, 384.00 FEET TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF SAID BLOCK 37; THENCE NORTH $88^{\circ}54'02''$ WEST, ALONG THE LAST MENTIONED EASTERLY EXTENSION, 1.50 FEET TO THE WEST LINE OF STATE STREET, AFORESAID; THENCE NORTH $00^{\circ}00'00''$ EAST, ALONG THE WEST LINE OF STATE STREET, AFORESAID, 384.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 576 SQUARE FEET, MORE OR LESS.

P8 (Upper Level Above Grade [above approximately 15 feet] on West Randolph Street)
THAT PART OF WEST RANDOLPH STREET AND THAT PART OF NORTH STATE STREET, ALL TAKEN AS A TRACT IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +689.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +29.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9; THENCE SOUTH 89°08'58" EAST, ALONG THE NORTH LINE OF BLOCK 37, AFORESAID, AND THE EASTERLY EXTENSION THEREOF, 324.63 FEET TO THE WEST LINE OF STATE STREET AS ESTABLISHED BY AN ACT OF THE LEGISLATURE OF THE STATE OF ILLINOIS, APPROVED MARCH 3, 1845; THENCE SOUTH 89°08'58" EAST, ALONG SAID EASTERLY EXTENSION, 5.00 FEET TO A POINT ON A LINE DRAWN 5.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF STATE STREET, AFORESAID; THENCE NORTH 00°00'00" EAST, ALONG SAID PARALLEL LINE, 5.00 FEET TO A POINT ON A LINE DRAWN 5.00 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 37; THENCE NORTH 89°08'58" WEST, ALONG THE LAST MENTIONED PARALLEL LINE, 329.63 FEET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF SAID BLOCK 37; THENCE SOUTH 00°01'10" WEST, ALONG SAID NORTHERLY EXTENSION, 5.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 1,648 SQUARE FEET, MORE OR LESS.

P9 (Upper Level Above Grade [above approximately 15 feet] on North State Street)
THAT PART OF NORTH STATE STREET IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +689.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +29.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE EASTERLY EXTENSION OF THE NORTH LINE OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9 WITH THE WEST LINE OF STATE STREET AS ESTABLISHED BY AN ACT OF THE LEGISLATURE OF THE STATE OF ILLINOIS, APPROVED MARCH 3, 1845; THENCE SOUTH 89°08'58" EAST, ALONG SAID EASTERLY EXTENSION, 5.00 FEET TO A POINT ON A LINE DRAWN 5.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF STATE STREET, AFORESAID; THENCE SOUTH 00°00'00" WEST, ALONG SAID PARALLEL LINE, 384.02 FEET TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF SAID BLOCK 37; THENCE NORTH 88°54'02" WEST, ALONG THE LAST MENTIONED EASTERLY EXTENSION, 5.00 FEET TO THE WEST LINE OF STATE STREET, AFORESAID; THENCE NORTH 00°00'00" EAST, ALONG THE WEST LINE OF STATE STREET, AFORESAID, 384.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 1,920 SQUARE FEET, MORE OR LESS.

P10 (Upper Level Above Grade [above approximately 15 feet] on West Washington Street)
THAT PART OF WEST WASHINGTON STREET AND THAT PART OF NORTH STATE STREET, ALL TAKEN AS A TRACT IN THE EAST PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +689.50 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +29.50 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARIES PROJECT VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF BLOCK 37 OF ORIGINAL TOWN OF CHICAGO IN THE EAST PART OF THE SOUTHEAST QUARTER OF SAID SECTION 9; THENCE SOUTH 88°54'02" EAST, ALONG THE SOUTH LINE OF BLOCK 37, AFORESAID, AND THE EASTERLY EXTENSION THEREOF, 324.79 FEET TO THE WEST LINE OF STATE STREET AS ESTABLISHED BY AN ACT OF THE LEGISLATURE OF THE STATE OF ILLINOIS, APPROVED MARCH 3, 1845; THENCE SOUTH 88°54'02" EAST, 5.00 FEET TO A POINT ON A LINE DRAWN 5.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF STATE STREET, AFORESAID; THENCE SOUTH 00°00'00" WEST, ALONG SAID PARALLEL LINE, 4.00 FEET TO A POINT ON A LINE DRAWN 4.00 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID BLOCK 37; THENCE NORTH 88°54'02" WEST, ALONG THE LAST MENTIONED PARALLEL LINE, 329.79 FEET TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF

EXHIBIT C

PROJECT PLANS AND ELEVATIONS

[SEE ATTACHED]

EXHIBIT C
PROJECT PLANS AND ELEVATIONS

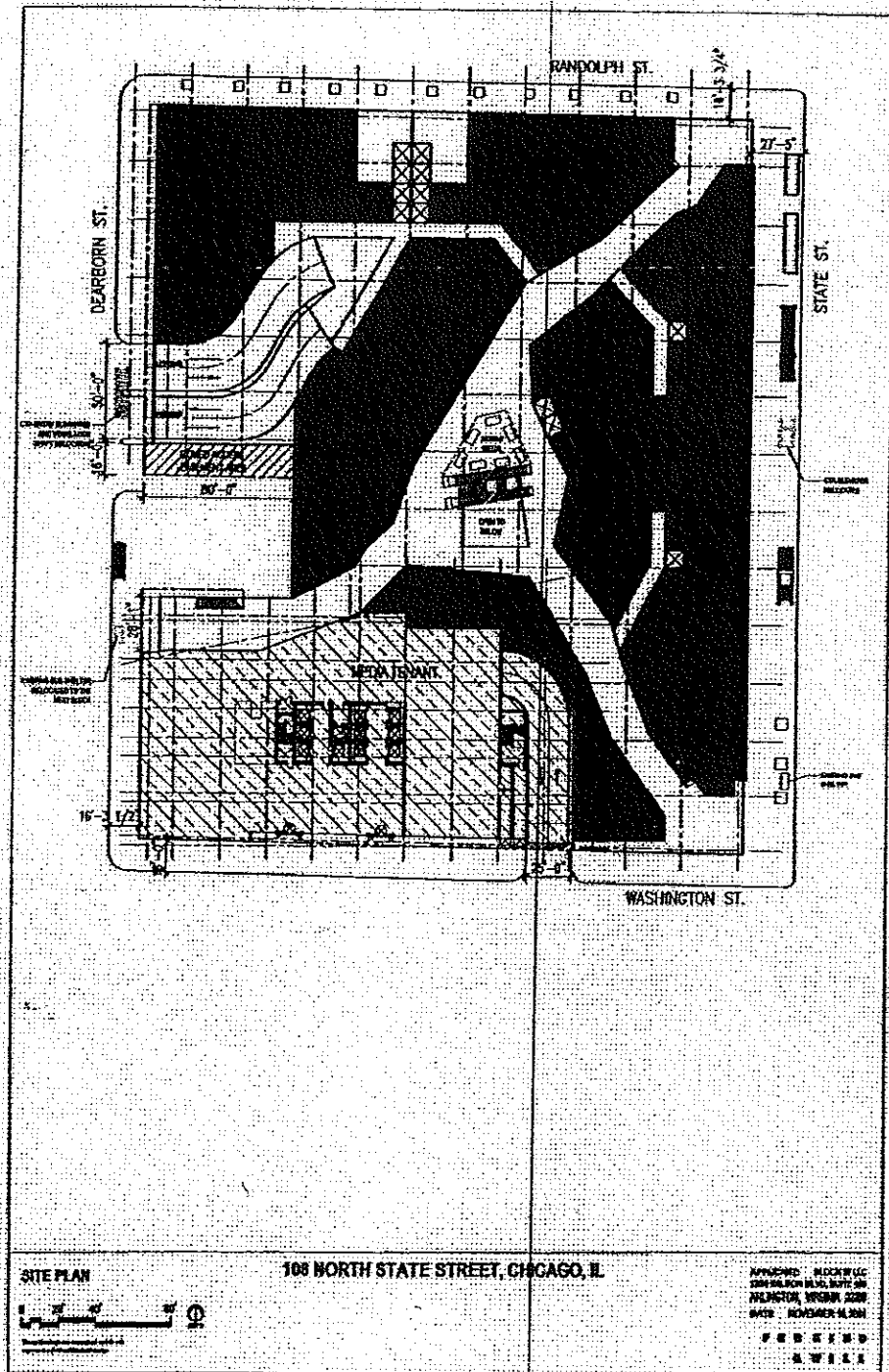


EXHIBIT C

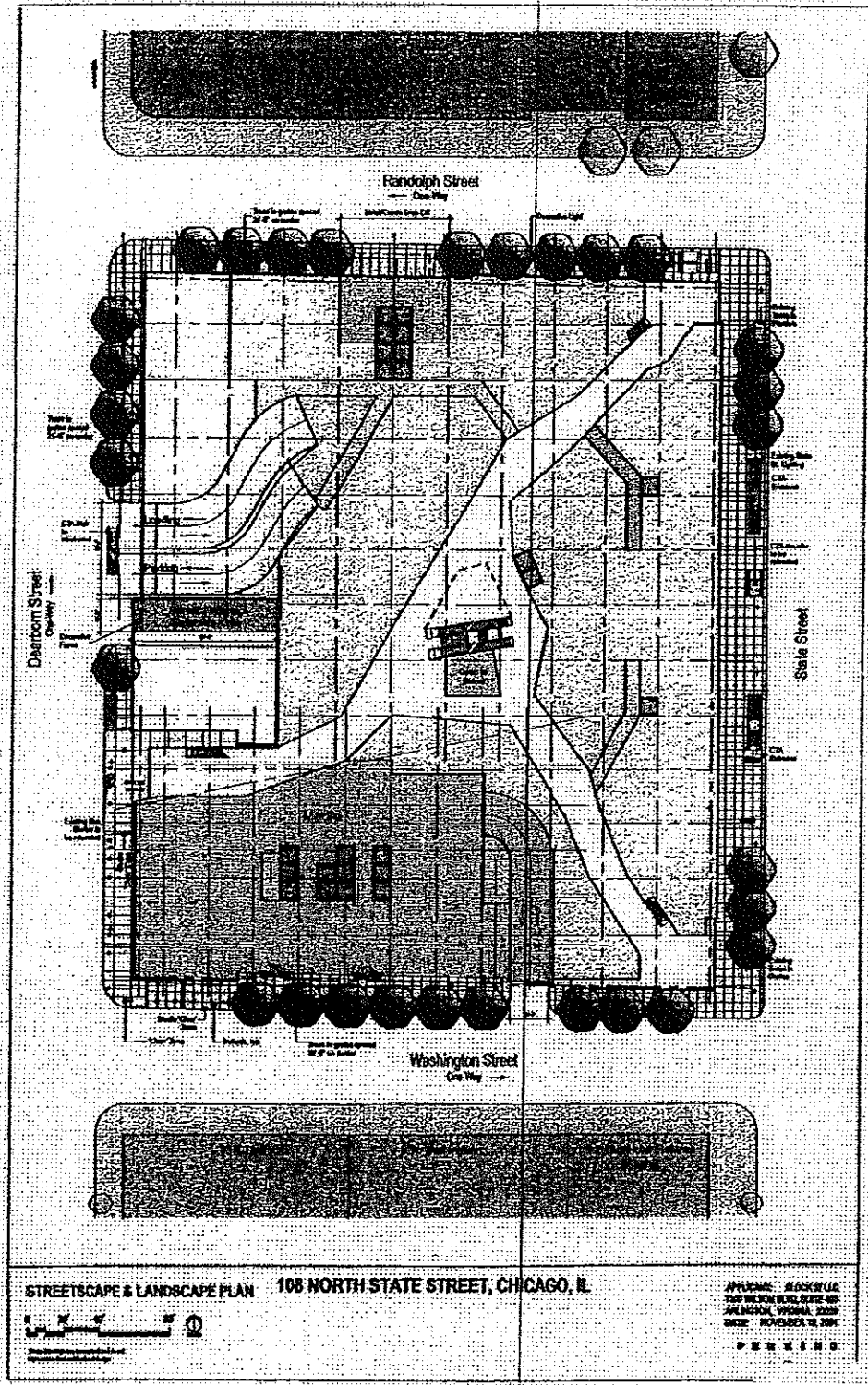


EXHIBIT C

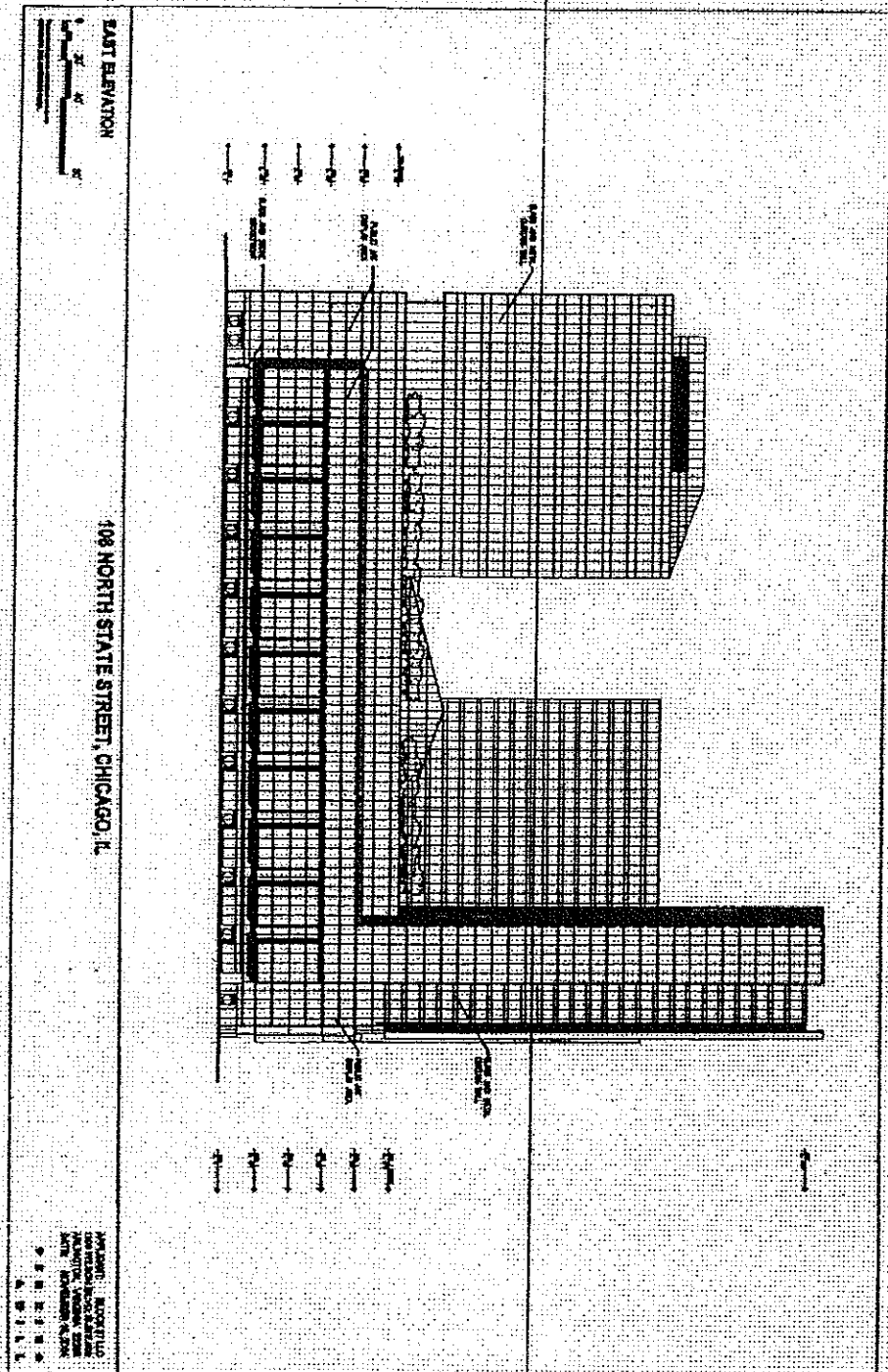


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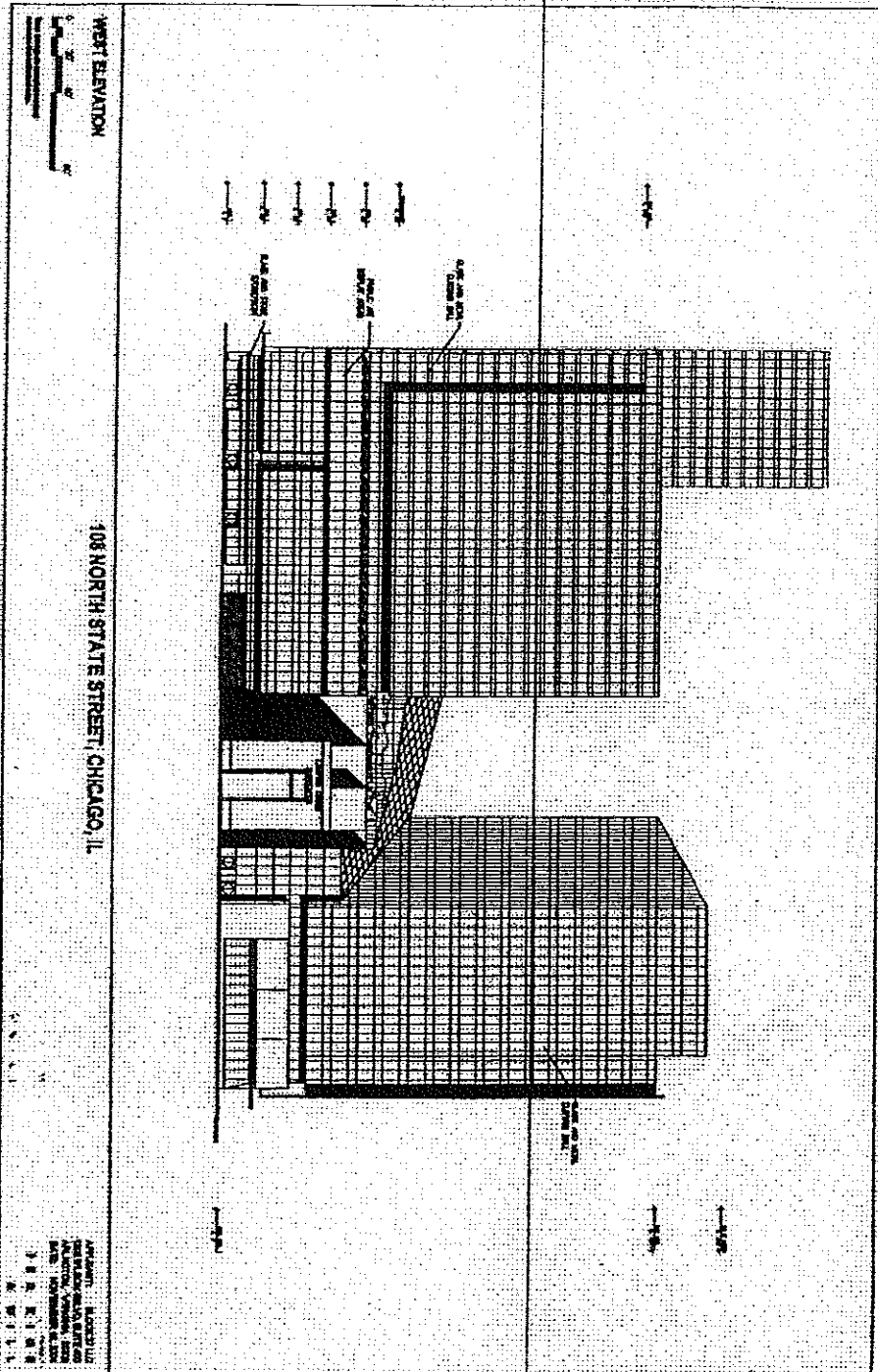


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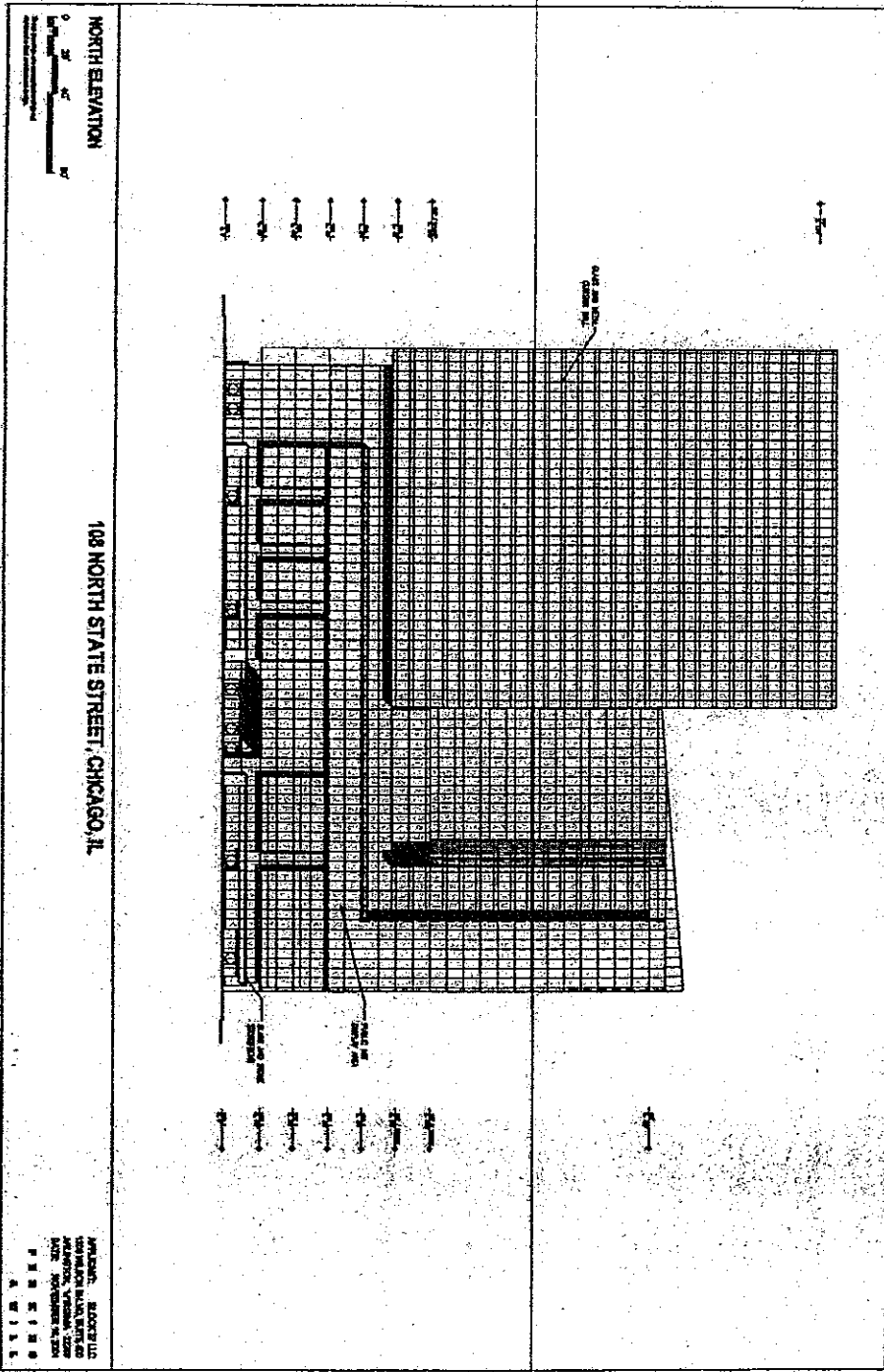


EXHIBIT C

66-E

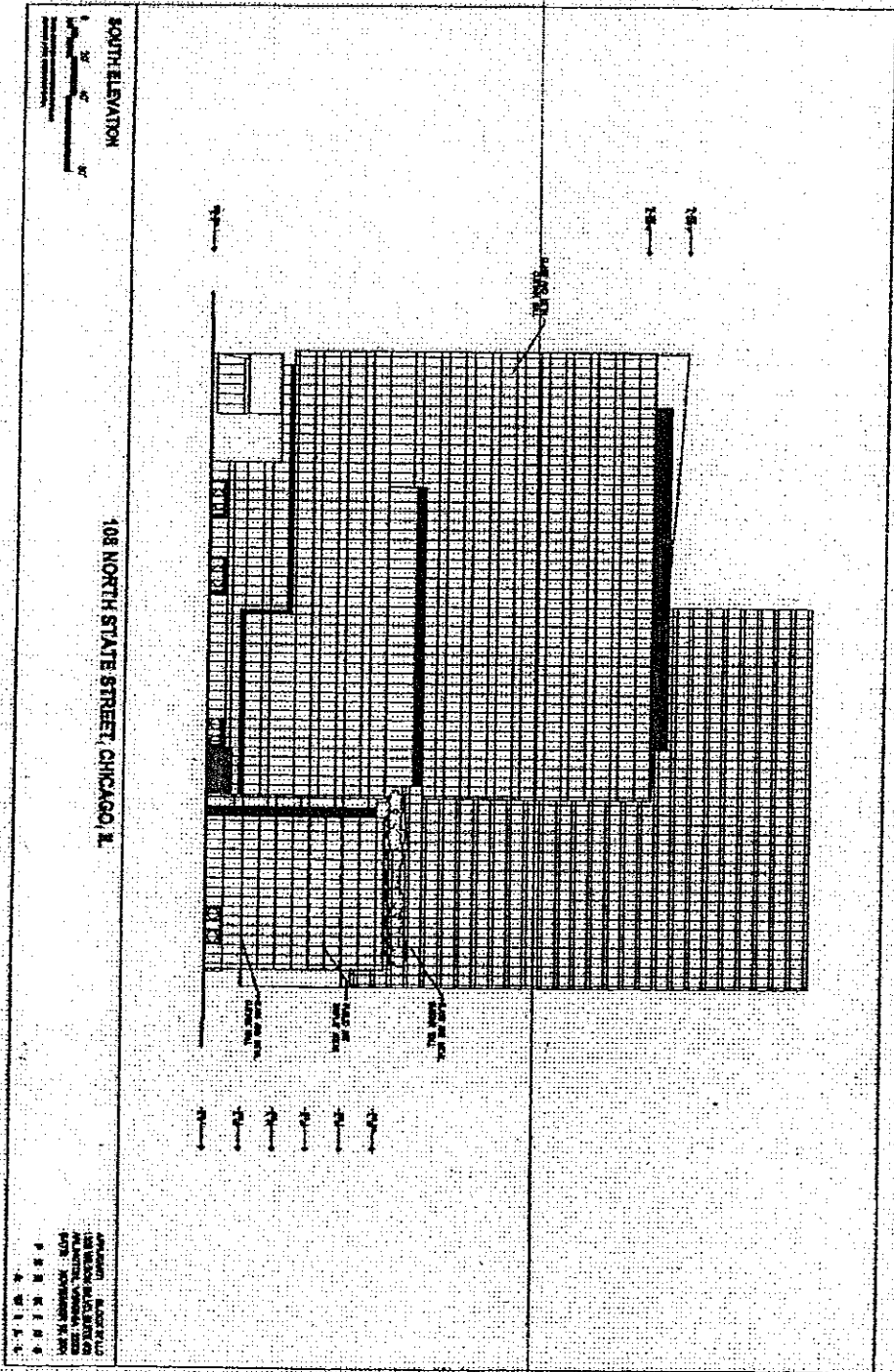


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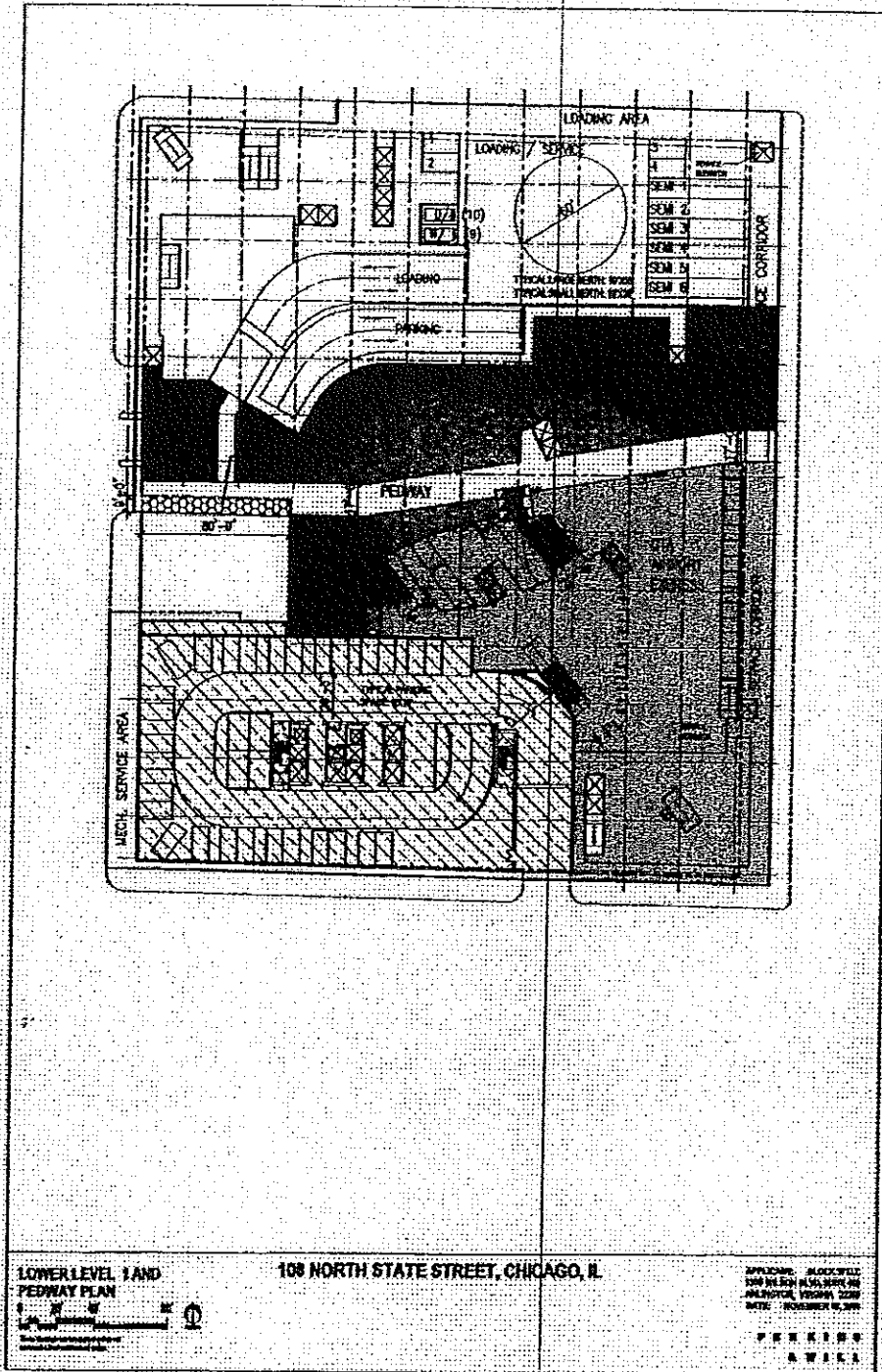


EXHIBIT C

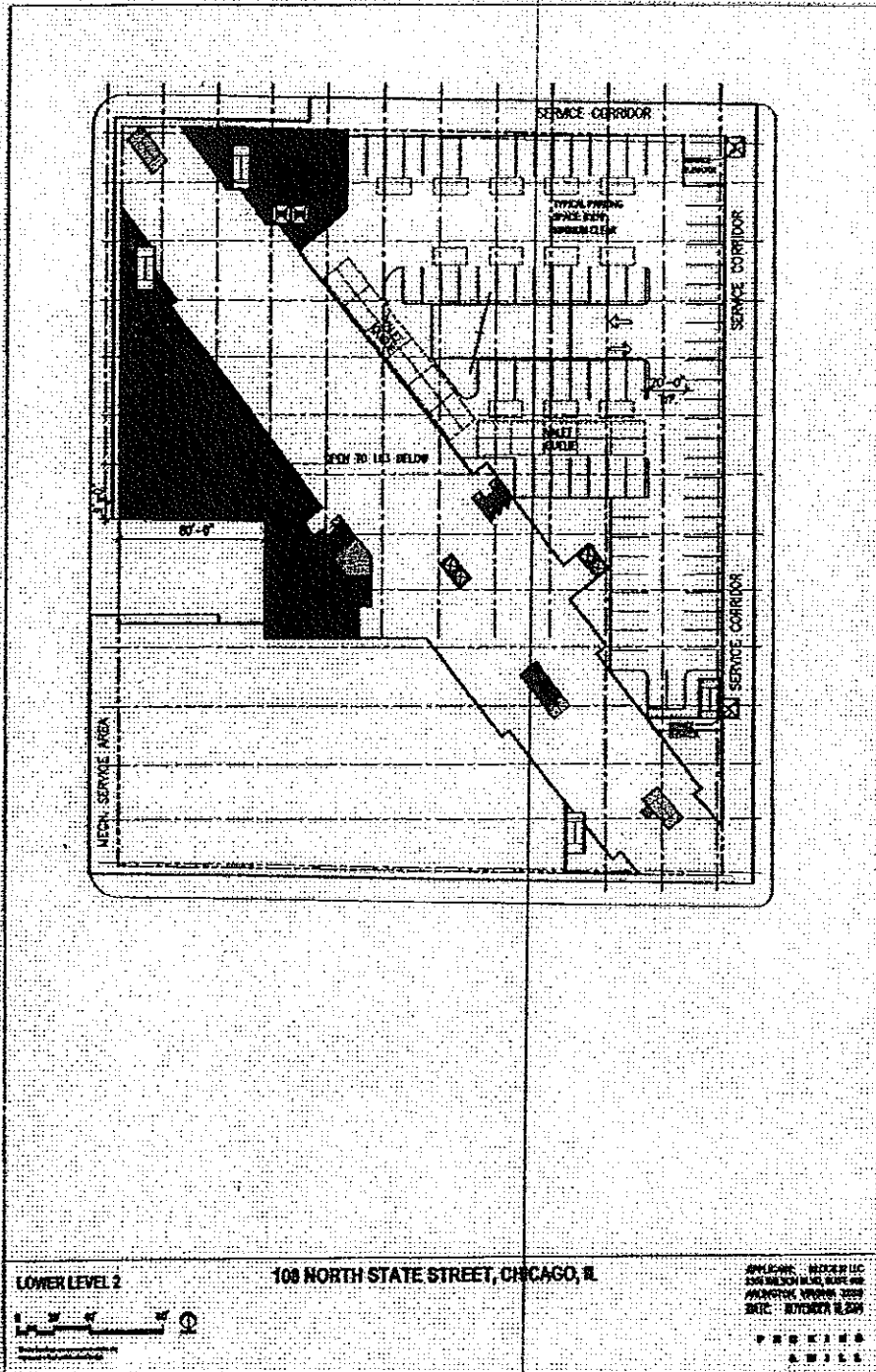


EXHIBIT C

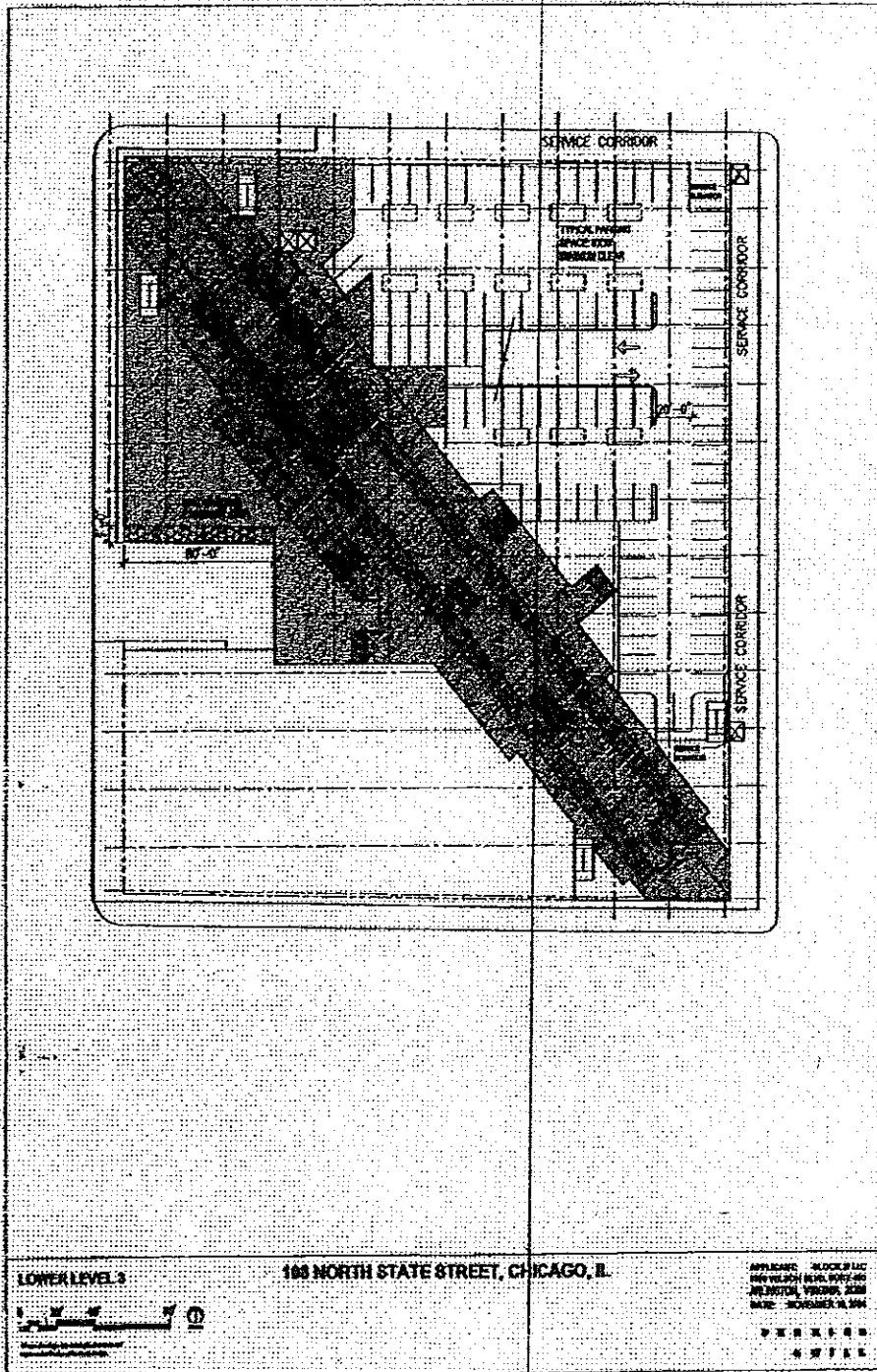


EXHIBIT C

EXHIBIT D

ALLOCABLE INFRASTRUCTURE COST AMOUNT SCHEDULE

[SEE ATTACHED]

EXHIBIT D

ALLOCABLE INFRASTRUCTURE COST AMOUNT SCHEDULE

ITEM OF WORK	HOTEL	RESIDENTIAL
Utilities	\$200,000	\$200,000
Concrete	\$33,000	\$17,000
Metals	\$1,116,500	\$2,620,800
Doors & Windows	\$36,300	\$47,300
Duct & Stair Shafts	\$194,815	\$162,475
Subtotal	\$1,580,615	\$3,047,575
Contingency, Insurance, Bonds & GC Fee	\$143,901	\$273,070
TOTAL HARD COST	\$1,724,516	\$3,320,645
Predevelopment	\$24,143	\$46,489
Design	\$137,961	\$265,652
Construction Administration	\$108,645	\$209,201
Preopening Management	\$1,725	\$3,321
Finance	\$117,267	\$225,804
Legal, Accounting, & Audit	\$20,694	\$39,848
Development	\$106,920	\$205,880
TOTAL SOFT COST	\$517,355	\$996,194
GRAND TOTAL	\$2,241,871	\$4,316,839

EXHIBIT E

APPROVED AND PROHIBITED TENANTS CRITERIA

[SEE ATTACHED]

EXHIBIT E

APPROVED AND PROHIBITED TENANTS CRITERIA

I. Retail Vision:

The City's goal for 108 N. State is to create a dynamic retail environment which will energize the State Street Retail District and create a new, unique shopping, dining and entertainment destination. The City's vision is for the retail component to be new and unique. Toward that end, the City will require Developer to comply with the following retail requirements. The following pertains to the lease up assumptions for the first three years of the retail operations at 108 North State except for the specific prohibited uses listed in subsection IV(C) below.

II. Leasing Process:

Mills will provide DPD a quarterly leasing memorandum outlining marketing efforts and results. To facilitate financing for the project, all prospective retailers will be reviewed internally by Developer and must have an investment grade credit rating and/or be approved by the TMC's Executive Committee. The City acknowledges that information contained in leasing memoranda to the City is confidential and proprietary and shall not be copied or shared with the public and that the disclosure of such information will cause Developer TMLP and TMC competitive harm and will materially affect Developer's ability to negotiate leases and conform to these criteria.

III. Unique Tenants:

Either a total of twelve (12) tenants or forty percent (40%) of the aggregate leaseable square footage on Floors 1 and 2 (taken together in the aggregate) shall be leased to Unique Tenants. Either a total of four (4) tenants or twenty-five percent (25%) of the leaseable square footage on Floor 3 shall be leased to Unique Tenants. Twenty-five percent (25%) of the aggregate leaseable square footage of Floors 4 and above shall be leased to Unique Tenants. If space in the Pedway is leased to a Unique Tenant, such square footage/tenant may, at Developer's sole discretion, be used (i.e., as a credit) to satisfy the Unique Tenant requirements on or above Floor 3. If more than twenty-five percent (25%) of the leaseable square footage on Floor 3 is leased to Unique Tenants, such square footage in excess of twenty-five percent (25%) may be used (i.e., as a credit) to satisfy the Unique Tenant requirements on Floor 4.

Unique Tenants include (1) non-US based tenants who, at the time of execution of the LOI, have fewer than 3 existing stores in Chicago ("International Tenants"), including tenants based in the countries of Canada and Mexico, (2) US-based tenants who, at the time of execution of the LOI, do not currently have a store in the City of Chicago ("Domestic Tenants"), (3) US-based tenants who, at the time of execution of the LOI, already have an existing store in the City of Chicago but open a new facility with a new identity/twist or materially different square footage and (4) US-based tenants who, at the time of execution of the LOI, have an existing store in the City of Chicago which has been open for two years or less. "City of Chicago" shall mean the official corporate limits of the City of Chicago.

In addition, DPD would prefer to see the Unique Tenants located in prominent spaces, in particular, spaces which face the public rights-of-way.

IV. Approved, Special, and Prohibited Uses:

The following lists include approved uses, uses requiring DPD approval, and prohibited uses, and are divided by floor level.

A. Approved Uses

The Developer will not be required to obtain DPD's written approval prior to leasing to the following types of retail tenants, provided the prospective tenant is to be located on the specified floor. For all other tenants not listed below or for modifications to the limitations below, DPD approval shall be required (approval not to be unreasonably withheld.)

1. All Floors & Pedway:

- (a) Any tenant engaged in the sale of soft or hard goods/clothing, etc. which would be commonly found in top-of-the-line regional malls similar to Oakbrook, Northbrook Court, Old Orchard and Woodfield.
- (b) Any restaurant, subject to the restrictions for Quick Casual Restaurants and Fast Food Restaurants contained in Section IV(C) below.
- (c) Showroom for specialized auto or motorized vehicles, such as Mini Coopers and scooters. No service will be performed on-site. Any sales initiated or consummated at the site will be credited to this location, even though physical delivery of the vehicle may take place elsewhere. Maximum square footage of such showroom may not exceed 3,000 square feet.
- (d) Any of the following specific uses: art gallery; museum; cultural exhibit space; hall of fame (musical, sports, fashion, etc.), bookstore (Barnes & Noble or equivalent), sportsware, home furnishings (Crate & Barrel or equivalent), unique manufacturing/retail (Viking or equivalent), cooking school, gourmet cheese/wine store, gourmet grocery, grocery (subject to the square footage restriction for Floor 1 in Section IV(C) below), children's interactive play station (Thomas Train, Lego Land or equivalent), and digital playground (tech manufacturers), ATM facility, electronics.
- (e) franchised coffee shops, subject to the following limitation: no more than one franchised coffee shop shall be allowed on Floor 1 and access to such franchised coffee shop shall only be allowed from Atrium or corridor.
- (f) Project management offices.

2. Floors 3 and above:

- (a) Specific uses include performing arts, night club, live music/dance venue, upscale bowling, spa, wellness center, health club, catering/banquet facility, child/day care*, gourmet grocery.
- (b) Target® is an approved use only if the store format is unique within Chicago.
- (c) Food Court including Fast Food Restaurants not to exceed thirty percent (30%) of leaseable square footage of the Food Court space. If there is no Food Court at the Pedway Level, the 3rd floor Food Court may include Fast Food Restaurants not to exceed forty percent (40%) of the leaseable square footage of the 3rd floor Food Court space.
- (d) Banking facilities not greater than 2,000 square feet each.
- (e) General office use as long as such uses are no more than 25% of the leaseable square footage per floor. Specifically, for the third floor only, the office use may only be accessory to another use category hereunder.

3. Pedway:

- (a) Food Court, provided that no more than thirty percent (30%) of the leaseable square footage of the Food Court space thereof shall be occupied by Fast Food Restaurants. (There shall be no restriction on Quick Casual Restaurants on the Pedway level.). If there is no Food Court at the 3rd Floor, the Pedway Food Court may include Fast Food Restaurants not to exceed forty percent (40%) of the leaseable square footage of the Pedway Food Court space.
- (b) Cleaners.
- (c) Mail services.
- (d) Barber or beauty shop
- (e) Coffee shop and any other service retail.

- (f) Soft and hard goods.
- (g) One banking facility not to exceed 4,000 square feet.
- (h) General offices (no more than 25% of the leaseable square footage).

* Child/Day Care is also an approved use in the first floor of the Office Component of the 108 N. State project.

B. Uses Requiring DPD Approval:

The following tenant types are allowed on the following specified floor, subject to the Developer obtaining written approval from DPD prior to leasing the space:

1. Floors 3 and above: Cinema uses, Video Arcade

C. Prohibited Uses:

The following uses are prohibited on the following specified floors:

1. All floors & Pedway:

Currency exchanges; tattoo parlors; wig shops; inter-track waging facilities; laundries/laundrettes (with the exception that a drycleaner may be located on the Pedway); loan offices; employment agencies; pawn shops; pay day loan stores; second hand stores and rummage shops; astrology, card-reading, palm-reading or fortune-telling in any form; car dealerships or showrooms (except as set forth in Section IV(A)(1)(c) above); auto accessory stores; pet shops; veterinary facilities; mortuary; shops catering to adult materials; processing plants. Notwithstanding the foregoing, automotive displays for sponsorship purposes are permitted in the common area of the project.

2. Floor 1:

Drug store/pharmacy, health club or spa (access to an upper level spa or health club may be located on the Pedway, first or second level), Discount Retailer, banking facility, convenience store, Fast Food Restaurant, Quick Casual Restaurant, grocery store in excess of 5,000 square feet (upper level or Pedway grocery use may be accessed at grade), video arcade, franchised coffee shops (except as expressly permitted in Section IV(A)(1)(e) above).

3. Floor 2:

Discount retailer, and video arcade, Fast Food Restaurants, Quick Casual Restaurants, banking facility.

V. Definitions:

For purposes of the foregoing requirements, the following definitions shall apply:

Discount Retailer: retailers generally engaged in the sale of soft goods and /or clothing at a discount where the labels for such soft goods or clothing are primarily from manufacturers other than such discount retailer.

Fast Food Restaurant: Fast food restaurants shall mean traditional stand-alone fast food restaurants commonly found in shopping center food courts throughout the United States but specifically excluding from this definition Quick Casual Restaurants.

Quick Casual Restaurant: Quick Casual Restaurants shall mean restaurants which are not Fast Food Restaurants but are stand-alone quick restaurant concepts which do not use waiter service such as Corner Bakery, Pot Belly's, Quizno's, Cosi, Panera Bread, etc.

EXHIBIT F

FORM OF NOTICE OF PROPOSED TRANSFER

[DEVELOPER'S LETTERHEAD]

[DATE]

BY MESSENGER

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

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

Re: 108 North State Street Redevelopment Agreement
Proposed Transfer Of APC Property

Dear Commissioners:

This letter is written pursuant to Section 8.01 of the 108 North State Street Redevelopment Agreement dated _____, 2005 (the "Agreement") and constitutes the written notice of Block 37, L.L.C. of the proposed transfer of the [INSERT DESCRIPTION OF APC PROPERTY]. A narrative summary of the principal terms of the proposed transfer is attached hereto as Schedule 1. If the City has further questions concerning the proposed transfer, such questions should be directed to [INSERT NAME, ADDRESS, AND PHONE NUMBER OF PERSON TO BE CONTACTED].

Sincerely yours,

[DEVELOPER SIGNATURE BLOCK]

Schedule 1 to Exhibit F

Summary of Principal Terms

Description of Property:

Buyer:¹

Price:

Buyer's Development Experience:

Committed and Available Financing:

Proposed
Closing Date:

Other Material
Terms of Transfer:

Calculation of
APC Purchase
Price:

¹ Attach organizational chart depicting upper-tier ownership interests in Buyer identifying all persons and entities having a direct or indirect ownership interest in Buyer.
S:\Real Estate\Steve\Redevelopment Agreements\block37v9.doc

Schedule 2 to Exhibit F

[FORM OF CERTIFICATION BY PROPOSED TRANSFEREE]

[DATE]

BY MESSENGER

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

Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602

Re: [DESCRIPTION OF APC PROPERTY] (the "Property")
108 North State Street Redevelopment Agreement
Certification by Proposed Transferee

Dear Commissioners:

This letter is written pursuant to Section 8.01 of the 108 North State Street Redevelopment Agreement dated _____, 2005 (the "Agreement") and constitutes the written certification of the undersigned, which has entered into a contract with Block 37, L.L.C., to purchase the Property. A copy of the contract is being delivered to you with this letter. Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

Pursuant to Section 8.01, and with the understanding that the City will be relying upon such certifications, the undersigned hereby certifies as follows:

- (1) it has received and reviewed a true, correct and complete copy of the Agreement;
- (2) it acknowledges and agrees that it shall be bound by, and hereby covenants to comply with, the terms, conditions, covenants, representations and warranties set forth in the Agreement which, by their terms, are binding upon any owner and operator of the Property;
- (3) it shall construct and thereafter operate the APC Project solely for [INSERT PROJECT USE];

(4) neither the undersigned, nor any affiliate thereof, nor any person identified in the organizational chart depicting the undersigned's ownership being delivered to the City simultaneously herewith (the "Transferee Parties"), is (a) in violation of any City laws, regulations and requirements (including, without limitation, any "anti-scofflaw" laws); (b) in default under any other written agreements between any such person or entity and the City, or (c) delinquent in the payment of any amounts due to the City;

(5) the undersigned is qualified to do business in the State of Illinois and has obtained all qualifications, licenses and approvals required by the City of Chicago in order to own and operate the Property; and

(6) the undersigned is solvent, able to pay its debts as they become mature and has the financial capability and business expertise to acquire, own and operate the Property;

(7) the total cash and non-cash consideration to be paid for the Property, and the value of such consideration, is as follows: [INSERT DESCRIPTION]

(8) attached hereto is the Developer's calculation of the APC Purchase Price Payment; and

(9) the undersigned is an Approved Developer/Approved Purchaser because of its status as [INSERT DESCRIPTION]; and

(10) the undersigned, in connection with any closing for the purchase of the Property, agrees to execute a limited joinder to the Agreement acknowledging that it is bound by the provisions of the Agreement applicable to any Approved Developer and the APC.

If the City has further questions concerning the proposed transfer, such questions should be directed to [INSERT NAME, ADDRESS, AND PHONE NUMBER OF PERSON TO BE CONTACTED].

Sincerely yours,

[PROPOSED TRANSFEREE
SIGNATURE BLOCK]

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any: NONE

EXHIBIT H-1

BASE BUILDING BUDGET

[SEE ATTACHED]

EXHIBIT H-1

BASE BUILDING BUDGET

Budget Summary	Above-Grade Cost	Below-Grade Cost	Combined Total
HARD CONSTRUCTION COSTS			
General Conditions	6,872,665	2,196,104	9,068,769
Site Work	918,654	9,491,417	10,410,071
Concrete	3,371,000	5,569,897	8,940,897
Masonry	272,650	615,926	888,576
Metals	15,511,964	692,499	16,204,463
Woods & Plastics	113,687	97,457	211,144
Thermal & Moisture Protect	4,390,247	182,223	4,572,470
Doors & Windows & Washing Systems	9,762,665	391,920	10,154,585
Finishes	6,498,658	1,076,596	7,575,254
Specialties	0	27,345	27,345
Equipment	16,830	332,000	348,830
Furnishings	650,000	0	650,000
Special Construction	0	0	0
Conveying Systems	3,204,880	456,000	3,660,880
Plumbing	3,498,264	1,247,479	4,745,743
Fire Protection	1,274,323	491,650	1,765,973
HVAC	5,960,564	1,865,570	7,826,134
Electrical	7,070,997	1,866,584	8,937,581
Specialized and High-Tech Signs and Graphics	10,200,000	0	10,200,000
Landscaping	250,000	0	250,000
Audio Security System Special Lighting and Canopies	1,803,500	0	1,803,500
Merchandizing Zones	675,000	0	675,000
Subtotal	82,316,548	26,600,667	108,917,215
Contingency	4,115,827	2,748,103	6,863,930
Insurance	765,544	242,112	1,007,656
Labor/Perf Bond	566,786	169,218	736,004
Subtotal	87,764,705	29,760,100	117,524,805
Escalation	0	880,362	880,362
Developer Fee	2,632,941	650,839	3,283,780
Hard Construction Building Total	90,397,647	31,291,301	121,688,948
SOFT CONSTRUCTION COSTS			
Pre-Development	5,000,000	438,078	5,438,078
Land	3,100,000	0	3,100,000
Architectural and Engineering	3,525,650	2,067,000	5,592,650
Non-A&E Consultants/Expenses (incl. contingency)	9,746,450	436,304	10,182,754
Construction Administration	10,937,000	1,971,352	12,908,352

Leasing Fees	2,138,000	312,913	2,450,913
Marketing	3,250,000	625,826	3,875,826
Pre-Opening Management	1,500,000	250,330	1,750,330
Financing	14,237,800	2,127,808	16,365,608
Legal, Accounting & Audit	2,200,000	375,496	2,575,496
Real Estate Taxes	2,471,800	187,748	2,659,548
Equity	8,293,400	0	8,293,400
Construction Loan County	3,824,700	0	3,824,700
Construction Loan Fee	1,821,300	0	1,821,300
Capitalized Interest	298,500	0	298,500
Development	12,212,500	782,283	12,994,783
Push Carts	120,000	0	120,000
Contingency Reserve	7,702,700	125,600	7,828,300
Soft Construction Building Total	92,379,800	9,700,738	102,080,538
TOTAL	182,777,447	40,992,039	223,769,486

Note: The Base Building Project Budget is only an estimate of the Phase I Project Costs and subject to change. Permitted fees, commissions or payments shall include a developer fee of not to exceed 5% of actual development costs, reimbursement of actual predevelopment costs, reimbursement of actual administrative costs, a financing fee of 0.375% of the amount of any third party Lender Financing procured by the Developer for the construction of the Phase I Project, and leasing brokerage commissions not to exceed 3% of the net, base rent payable under executed leases relating to the Phase I Project.

EXHIBIT H-2

CBS/OFFICE BUDGET

[SEE ATTACHED]

EXHIBIT H-2

CBS/OFFICE BUDGET

Budget Summary	CBS Base Building	Office Project	TOTAL
General Conditions	1,150,000	300,000	1,450,000
Site Work	2,545,309	170,260	2,715,569
Concrete	1,666,925	677,900	2,344,825
Exterior Enclosure	2,451,484	1,881,450	4,332,934
Metals	2,780,000	2,174,658	4,954,658
Woods & Plastics	72,968	73,426	146,394
Thermal & Moisture Protect	714,145	261,103	975,248
Doors & Windows	255,856	86,208	342,064
Finishes	990,514	406,775	1,397,289
Specialties	28,545	47,539	76,084
Equipment	0	0	0
Furnishings	69,000	107,328	176,328
Special Conditions	0	0	0
Conveying Systems	919,900	660,000	1,579,900
Plumbing	450,000	423,888	873,888
Fire Protection	280,000	201,347	481,347
HVAC	1,575,000	1,271,664	2,846,664
Electrical	1,750,000	1,241,804	2,991,804
Subtotal	17,699,646	9,985,350	27,684,996
Contingency	884,982	998,535	1,883,517
Insurance	169,059	92,864	261,923
Labor/Perf Bond	125,166	71,999	197,165
Developer Fee	530,989	334,462	865,451
Escalation	707,985	1,428,511	2,136,496
Building Total	20,117,827	12,911,721	33,029,548

Note: The CBS Base Building and Office Project Budget is only an estimate of the Phase I Project Costs and subject to change. Permitted fees, commissions or payments shall include a developer fee of not to exceed 5% of actual development costs, reimbursement of actual predevelopment costs, reimbursement of actual administrative costs, a financing fee of 0.375% of the amount of any third party Lender Financing procured by the Developer for the

construction of the Phase I Project, and leasing brokerage commissions not to exceed 3% of the net, base rent payable under executed leases relating to the Phase I Project.

EXHIBIT H-3

DBE IMPROVEMENTS BUDGET

[SEE ATTACHED]

EXHIBIT H-3

DBE IMPROVEMENTS BUDGET

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>CTA SHARE</u>
1.	Total Direct Construction Cost	\$46,620,702
2.	Escalation (3.5%)	<u>1,631,725</u>
3.	Total Direct Construction Cost With Escalation	\$48,252,427
4.	Contractor's General Conditions	2,615,282
5.	General Contractor's Insurance	434,272
6.	General Contractor's Bond	303,990
7.	Construction Contingency	4,843,336
8.	General Contractor's Fee	<u>1,548,179</u>
9.	Total Hard Costs (per Preliminary Project Budget, lines 3+4+5+6+7+8)	\$57,997,486
10.	Project Soft Costs	16,094,302
11.	CTA Special Soft Costs	1,159,950
12.	Project Contingency/Reserve	<u>1,884,918</u>
13.	Preliminary Budget (lines 9+10+11+12)	\$77,136,656

Note: The DBE Improvements Budget is only an estimate of the CTA allocable portion of the Below Grade Improvements and subject to change. Permitted fees, commissions or payments shall include a developer fee of not to exceed 5% of actual development costs, reimbursement of actual predevelopment costs, reimbursement of actual administrative costs, a financing fee of 0.375% of the amount of any third party Lender Financing procured by the Developer for the construction of the Phase I Project, and leasing brokerage commissions not to exceed 3% of the net, base rent payable under executed leases relating to the Phase I Project.

EXHIBIT I-1

BASE BUILDING MBE/WBE BUDGET

[SEE ATTACHED]

EXHIBIT I-1

BASE BUILDING MBE/WBE BUDGET

General Conditions	\$6,068,769
Site Work	\$7,754,321
Concrete	\$8,940,897
Masonry	\$888,576
Non-specialized Metals	\$15,465,334
Woods & Plastics	\$211,144
Non-Roof Garden Thermal & Moisture Protection	\$3,816,470
Doors & Windows & Washing Systems	\$4,839,535
FF&E and Specialty Items	\$9,276,429
Conveying Systems	\$1,910,880
Plumbing	\$4,745,743
Fire Protection	\$1,765,973
HVAC	\$7,826,134
Electrical	\$8,937,581
Non-specialized Signage and Graphics	\$1,803,500
Landscaping	\$250,000
Above-grade and Below-grade Hard Costs	\$84,501,291
Non-specialized Above-grade and Below-Grade A&E Soft Costs	\$5,592,650
TOTAL	\$90,093,941

Total:	\$90,093,941
	x 24% = \$21,622,545 MBE participation
	x 4% = \$3,603,720 WBE participation

EXHIBIT I-2

CBS/OFFICE MBE/WBE BUDGET

[SEE ATTACHED]

EXHIBIT I-2

CBS/OFFICE MBE/WBE BUDGET

General Conditions	\$1,025,150
Site Work	\$2,715,569
Concrete	\$2,344,825
Metals	\$4,954,658
Woods & Plastics	\$146,394
Thermal & Moisture Protection	\$975,248
Doors & Windows & Washing Systems	\$342,064
Finishes and Specialty Items	\$1,473,373
Conveying Systems	\$1,579,900
Plumbing	\$873,888
Fire Protection	\$481,347
HVAC	\$2,846,664
Electrical	\$1,491,804
TOTAL	\$21,427,212

Total:	\$21,427,212
	x 24% = \$5,142,530 MBE participation
	x 4% = \$857,088 WBE participation

Conditions to the Phase I Project MBE/WBE Budget:

1. The Base Building Project Budget, CBS Base Building and Office Project Development Budget and the Phase I Project MBE/WBE Budget are only estimates of the Developer's share of the Phase I Project costs and are subject to change. Therefore, the 24% MBE and 4% WBE participation goals shall be tested against the Developer's share of the final Phase I Project hard construction costs for non- or partially excluded line items.

EXHIBIT I-3

DBE BUDGET

[SEE ATTACHED]

EXHIBIT I-3

DBE BUDGET

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
	Project Hard Costs	\$71,773,903
	Project Soft Costs	<u>\$4,152,732</u>
	Total Project Preliminary Budget	\$75,926,675

Note: The DBE Budget is only an estimate of the CTA allocable portion of the Below Grade Improvements and subject to change. DBE participation shall be based on final actual costs.

EXHIBIT J

FEE WAIVERS

[SEE ATTACHED]

EXHIBIT J

FEE WAIVERS

Department of Buildings

The following Department of Building Plan Review, Permit, and Inspection fees:

- Building Permit
- Zoning
- Construction/Architectural/Structural
- Internal Plumbing
- HVAC
- Water for Construction
- Smoke Abatement
- Building Permit (as may be required for relocating train berthing locations)
- Certificate of Occupancy
- Demolition Permit
- Electrical Permit (Service and Wiring)
- Elevator Permit (as applicable)
- Inspections
- Fencing
- Slurry Walls

Shall be waived and/or paid on the following basis:

All permit applications solely for below-grade improvements – 80% of the permit fee will be waived and 20% will be paid by the Developer.

All permit applications solely for above-grade improvements – the Developer will pay 100% of the permit fees for permits for above-grade improvements.

For permit applications which involve both above and below-grade improvements, the fees shall be waived and/or paid as follows:

The Developer will pay 100% of the permit fees proportionately attributable for the above-grade improvements (the “Above-Grade Share”). The Above Grade Share shall be calculated by first dividing the volumetric area of the above-grade improvements by the volumetric area of the above-grade and below-grade improvements and then multiplying that fraction by the total permit fees that ordinarily would be due for a building of the same volumetric area (i.e., including both the above-grade and below-grade improvements).

The Developer also will pay 20% of the permit fees proportionately attributable for the below-grade improvements (the “Below-Grade Share”). The Below Grade Share shall be calculated by first dividing the volumetric area of the below-grade improvements by the volumetric area of the above-grade and below-grade improvements and then multiplying that fraction by the total permit fees that ordinarily would be due for a building of the same volumetric area (i.e., including both the above-grade and below-grade improvements). The remaining 80% of the permit fees shall be waived.

By way of illustration only, if the Developer submits a permit application 50,000 cubic feet of below-grade improvements and 50,000 cubic feet of improvements and the building

permits fees that would ordinarily be due on a 100,000 cubic foot building are \$10,000, then the fees would be waived/paid on the following basis: the Developer -- \$5,000 for the above grade improvements (100,000 cf/50,000 cf multiplied by \$10,000) and \$1,000 for the below grade improvements (100,000 cf/50,000 cf multiplied by \$10,000 multiplied by 20%). The remaining \$4,000 in building permit fees shall be waived (100,000 cf/50,000 cf multiplied by \$10,000 multiplied by 80%).

Department of Construction and Permits (DCAP)

Building Permit -- The formula set forth above for the Building Department permit fees shall apply to any DCAP fees.

Department of Environment

Demolition/Renovation Notice of Intent (Asbestos Abatement or Encapsulation)
Hazardous or Special Waste Disposal

The Developer shall pay 20% of any such fees. The remaining 80% shall be waived.

Fire Department

Fire Protection Systems (Evacuation Plan)

The formula set forth above for the Building Department permit fees shall apply to any Fire Department fees.

Mayor's Office for People with Disabilities

Impact Fees -- The formula set forth above for the Building Department permit fees shall apply to any MOPD fees.

Department of Revenue

Use of the Public Way (during construction)
Vaulted Sidewalk Modifications
Parking Meter Impacts

All Department of Revenue fees shall be waived.

Department of Transportation

Bureau of Inspections - Office of Underground Coordination
Deep Foundation Review
Freight Tunnel Modification Approval
Traffic Control
Street Openings
Use of the Public Way
Driving (or Driveway)
City Installations (curbs, walks, parkways, landscaping, and street and alley lighting)
Temporary Pedestrian Construction Canopies

All Department of Transportation fees shall be waived.

Department of Streets and Sanitation

Street Lighting
Traffic Signals

All Department of Streets and Sanitation fees shall be waived.

Department Water Management (Sewer and Water)

Sewers

- Connection for new track drainage
- Pumping water from the existing freight tunnel (coordinate with MWRDGC)
- Dewatering during subway tunnel construction (coordinate with MWRDGC)
- Inspections)
- Sealing

Water

- Service connections - taps
- Cure and Seal Fees
- Water for construction
- Note: Fees to purchase B-Boxes and remote read-outs are NOT waived

All sewer and water tap/connection, cure and seal fees shall be waived for any taps/connections that serve the CTA facilities in whole or in part.

The Developer shall pay 20% of any fees for pumping and dewatering and water to be used during construction. The remaining 80% shall be waived.

All fees for new track drainage shall be waived.

EXHIBIT K

OPINION OF COUNSEL

[NOT ATTACHED FOR RECORDING]

EXHIBIT L

PUBLIC BENEFITS

[SEE ATTACHED]

EXHIBIT L

PUBLIC BENEFITS

The following represents a list of organizations and opportunities that the Developer will support through the public benefits program. The Developer will make the monetary contributions listed below according to the following schedule: (1) twenty-five percent (25%) will be paid at the Initial Closing; (2) twenty-five percent (25%) will be paid at issuance of caisson/slurry wall permit; and (3) the balance will be paid at issuance of the Phase I Project Certificate of Completion. The specific programs to be implemented are subject to modification or substitution as agreed to by Developer and DPD.

Contributions

Financial contributions totaling \$525,000 to the following organizations and groups:

- Gallery 37 - \$40,000
- Chicago Cultural Center - \$60,000
- Magnetic Resonance Imaging Center at Children's Hospital - \$100,000
- Italian American Sports Hall of Fame - \$40,000
- Glessner House Museum - \$50,000
- Safe Home for Kids - Provide funds to purchase computers, software, books etc - \$40,000
- Sponsor job fair prior to opening
- Internships for students in the Chicago Public Schools - Provide 2 internships per year for 4 years (\$1,875 per internship/summer) = \$15,000
- Habitat for Humanity - \$180,000
- Provide exhibit space from time to time for Artwork produced by Gallery 37 students
- Work in conjunction with Chicago Architecture Foundation to provide exhibit space in order to showcase Chicago Architects and Architecture.

LIMITED JOINDER

This Limited Joinder is made effective as of this 8th day of November, 2005, by and between the City of Chicago, an Illinois municipal corporation, acting by and through its Department of Planning and Development, its successors and assigns (the "City"), Block 37 Office, L.L.C., a Delaware limited liability company ("Office, L.L.C."), and 108 North State Street II, L.L.C., a Delaware limited liability company ("108 L.L.C.," and together with Office, L.L.C., the "Developers"), and is attached to and forms a part of that certain 108 North State Street Redevelopment Agreement dated as of October 15, 2005 (the "Agreement"), by and between Block 37, L.L.C., a Delaware limited liability company ("Block 37"), and the City. Capitalized terms not defined herein shall have the meaning given in the Agreement.

RECITALS

A. Pursuant to the Agreement, on the Initial Closing Date, the City will convey the CTA Parcel to 108 L.L.C.. Pursuant to that certain letter agreement dated November 8, 2005 (the "Closing Letter"), the City will, pursuant to Block 37's request, also convey the Land upon which the CBS Base Building (and the Office Project above it), including associated air rights (such real property and rights, the "Office Parcel"), to Office, L.L.C., instead of Block 37.

B. Section 8 of the Agreement requires 108 L.L.C. to execute a limited joinder to the Agreement for purposes of joining in the making of the covenants, representations and warranties applicable to the CTA Parcel, the CTA Station and the Airport Check-In Facility, which are part of the Phase I Project, as part of the City's conveyance of the CTA Parcel to 108 L.L.C.. Pursuant to the Closing Letter, Office, L.L.C. is also executing this limited joinder for purposes of joining in the making of the covenants, representations and warranties applicable to the Office Parcel and the improvements to be constructed thereon, which is also part of the Phase I Project, as part of the City's conveyance of the Office Parcel to Office L.L.C..

AGREEMENTS

NOW, THEREFORE, in consideration of the recitals set forth above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to implement Section 8 of the Agreement, the parties agree as follows:

1. Recitals. The above recitals are incorporated herein by reference and constitute a material part of this Limited Joinder.

2. Joinder in Representations, Warranties and Covenants.

(a) 108 L.L.C. 108 L.L.C., by its execution and delivery of this Limited Joinder, hereby joins in the making of those covenants, representations and warranties set forth in the Agreement that are applicable to the CTA Parcel, the CTA Station and the Airport Check-In Facility, and agrees

that it shall be bound by such obligations. 108 L.L.C. agrees that references in the Agreement to the "Developer," as applied to the CTA Parcel, the CTA Station and the Airport Check-In Facility, shall be deemed to refer to 108 L.L.C..

(b) Office, L.L.C. Office, L.L.C., by its execution and delivery of this Limited Joinder, hereby joins in the making of those covenants, representations and warranties set forth in the Agreement that are applicable to the Office Parcel and the improvements to be constructed thereon, and agrees that it shall be bound by such obligations. Office, L.L.C. agrees that references in the Agreement to the "Developer," as applied to the Office Parcel and the improvements constructed thereon, shall be deemed to refer to Office L.L.C..

3. Condition of CTA Parcel and Office Parcel. 108 L.L.C. and Office, L.L.C. acknowledge that consistent with the Agreement, including, specifically, but without limitation, Section 3.12 thereof, the CTA Parcel (as to 108 L.L.C.) and the Office Parcel (as to Office, L.L.C.) shall be conveyed in its "as is, where is" condition, with no warranty, express or implied, by the City as to the condition of the soil, its geology, or the presence of known or unknown faults. It shall be the sole responsibility of 108 L.L.C. (as to the CTA Parcel) and Office, L.L.C. (as to the Office Parcel), at its sole expense, to investigate and determine the soil and environmental condition of such portion of the Property. If the soil conditions are not in all respects entirely suitable for the use or uses to which such portion of the Property is intended to be utilized for under the Agreement, then it shall be the sole responsibility and obligation of 108 L.L.C. (as to the CTA Parcel) and Office, L.L.C. (as to the Office Parcel) to take such action as may be necessary to place the soil and environmental condition of such portion of the Property in a condition entirely suitable for the intended uses under the Agreement. After the recording of the Deeds conveying the CTA Parcel and the Office Parcel, neither 108 L.L.C. nor Office, L.L.C. shall have any recourse whatsoever against the City under any Environmental Law (as defined in the Agreement) or any other law, rule or regulation for the environmental, soil or other condition of such portion of the Property.

4. Notices. All notices and communications concerning this Limited Joinder and the Agreement that may be or are required to be sent to 108 L.L.C. or Office, L.L.C. shall be sent and deemed to have been received if sent solely to Block 37, L.L.C. as described in Section 17 of the Agreement. No separate notices need be sent to 108 L.L.C. or Office, L.L.C.

5. Amendment. This Limited Joinder may not be altered, amended, changed or modified in any respect without the written consent of both the City and the applicable Developer(s).

6. Assignment. Neither 108 L.L.C. nor Office, L.L.C. may assign its obligations under the Agreement or this Limited Joinder, except to the extent permitted under the Agreement.

7. Successors and Assigns. This Limited Joinder shall inure to the benefit of and be binding upon the City and the Developers and their respective permitted successors and permitted assigns.

8. No Third Party Beneficiary. This Limited Joinder is for the sole and exclusive benefit of the City. No other person or entity is an intended third party beneficiary of this Limited Joinder or shall have the right to enforce any of the provisions of this Limited Joinder.

9. Headings. The section headings contained herein are for convenience only and are not intended to limit, expand or modify the provisions of such sections.

10. Counterpart Execution. This Limited Joinder may be executed in multiple counterparts, the signature pages of which, taken together, shall constitute an original execution copy.

11. Authority. The person signing this Limited Joinder on behalf of each of the Developer certifies that he or she has the power and authority to enter into and execute this Limited Joinder.

12. No Modification. Except as to the joinder effected hereby pursuant to Section 2, nothing in this Limited Joinder is intended or shall be construed to modify the underlying representations, warranties, covenants or obligations applicable to the CTA Parcel, the CTA Station and the Airport Check-In Facility, or the Office Parcel and the improvements to be constructed thereon, as set forth in the Agreement.

IN WITNESS WHEREOF, the Developers and the City have executed this Limited Joinder effective as of November 8, 2005.

BLOCK 37 OFFICE, L.L.C., a Delaware limited liability company

By: The Mills Limited Partnership, a Delaware limited partnership, its Manager

By: The Mills Corporation, a Delaware corporation, its General Partner

By: Steve Jacobson
Name: Steve J. Jacobson
Title: EVP

108 NORTH STATE STREET II, L.L.C., a Delaware limited liability company

By: MillsServices Corp, a Delaware corporation, its Manager

By: Steve Jacobson
Name: Steve J. Jacobson
Title: EVP

CITY OF CHICAGO, a municipal corporation, acting by and through its Department of Planning and Development

By: _____
Lori T. Healey
Commissioner

IN WITNESS WHEREOF, the Developers and the City have executed this Limited Joinder effective as of November 8, 2005.

BLOCK 37 OFFICE, L.L.C., a Delaware limited partnership

By: The Mills Limited Partnership,
a Delaware limited partnership

By: The Mills Corporation, a Delaware corporation, Its General Partner

By: _____
Name: _____
Title: _____

108 NORTH STATE STREET II, L.L.C., a Delaware limited liability company

By: Mills Service Corporation, a Delaware corporation, its Managing Member

By: _____
Name: _____
Title: _____

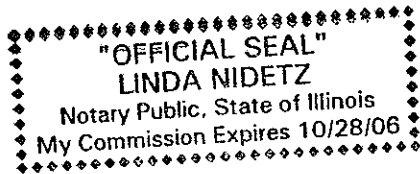
CITY OF CHICAGO, a municipal corporation, acting by and through its Department of Planning and Development

By: Lori T. Healey
Lori T. Healey
Commissioner

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, Linda Nidetz, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Steven J. Jacobsen, personally known to me to be the Executive Vice President of The Mills Corporation, a Delaware corporation, the General Partner of The Mills Limited Partnership, a Delaware limited partnership, the Manager of Block 37 Office, L.L.C., a Delaware limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such officer, he signed and delivered such instrument as his free and voluntary act and deed, and as the free and voluntary act and deed of such company for the uses and purposes therein set forth.

Given under my hand and official seal this 8th day of November, 2005.

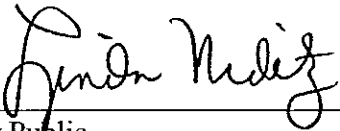


Linda Nidetz
Notary Public

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, Linda Nidetz, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Steven J. Jacobsen, personally known to me to be the Executive Vice President, of MillsServices Corp., a Delaware corporation, the Manager of 108 North State Street II, L.L.C., a Delaware limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his free and voluntary act and deed, and as the free and voluntary act and deed of such company for the uses and purposes therein set forth.

Given under my hand and official seal this 8th day of November, 2005.



Notary Public

