

Contract Summary Sheet

Contract (PO) Number: 2873

Specification Number: 14808

Name of Contractor: MICHIGAN WACKER ASSOCIATES,LLC

City Department: PLANNING & DEVELOPMENT

Title of Contract: Redevelopment Agreement for renovation of Mather Tower at 75 E. Wacker
(Central Loop TIF)

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

\$1,500,000.00

Brief Description of Work: Redevelopment Agreement for renovation of Mather Tower at 75 E.
Wacker (Central Loop TIF)

Procurement Services Contact Person: BARBARA SUTTON

Vendor Number: 50066181

Submission Date:

OCT 08 2003

**JAMES J. LASKI, CITY CLERK
CITY CLERK'S OFFICE—CITY OF CHICAGO**

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago ("City") on June 20, 1984 (Journal of the Proceedings of the City Council, pages 7573 -- 7714), a certain redevelopment plan and project ("Plan") for the North Loop Tax Increment Redevelopment Project Area ("Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (1993) ("Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 20, 1984 (Journal of the Proceedings of the City Council, pages 7573 -- 7714), the Area was designated as a redevelopment project area pursuant to the Act; and

that the Company be designated as the developer for the Project and that D.P.D. be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

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

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

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

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

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

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

Exhibits "A" and "B" referred to in this ordinance read as follows:

Exhibit "A".
(To Ordinance)

Legal Description Of Property.

Parcel 1:

That part of the southwest half of Lot 4 and all of Lots 5 and 6 (taken as a tract) lying northeasterly of the boundary line established by agreement recorded as Document Number 16826204 in the subdivision of Lots 3, 4, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 in Block 4 in Fort Dearborn Addition to Chicago in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Easement for concrete wall and footings of the building located on Parcel 1 created by agreement between American National Bank and Trust Company of Chicago, a national banking association, as trustee, under trust agreement dated May 1, 1945 and known as Trust Number 6365 and Southern Realty Company, a corporation of Illinois dated February 8, 1957 and recorded February 14, 1957 as Document Number 16826204 over the following described land:

that part of Lots 5 and 6, lying southwesterly of the boundary line described in the aforesaid Document Number 16826204 in the subdivision of Lots 3, 4, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 in Block 4 in Fort Dearborn Addition to Chicago in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Commonly referred to as:

**75 East Wacker Drive
Chicago, Illinois.**

Permanent Index Number:

[REDACTED]

1.5m 648

**MATHER TOWER/CENTRAL LOOP TIF PROJECT
REDEVELOPMENT AGREEMENT**

This instrument prepared by,
and after recording, please return to:

Mark Lenz
Assistant Corporation Counsel
City of Chicago
Department of Law
30 North LaSalle Street - Room 1610
Chicago, Illinois 60602

**MATHER TOWER/CENTRAL LOOP TIF PROJECT
REDEVELOPMENT AGREEMENT**

This Redevelopment Agreement ("Agreement"), dated as of June 7, 2001, is made by and between the City of Chicago, an Illinois municipal corporation, having its offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 ("City") and Michigan Wacker Associates, LLC, a Delaware limited liability company, having its principal office at 56 West 45th Street, 8th floor, New York, New York 10036 ("Developer").

RECITALS

WHEREAS, as a home rule unit under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, the City has the power and the authority 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 third parties in order to achieve these goals; and

WHEREAS, in addition to the constitutional authority described above, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time ("TIF Act"), to assist projects that eradicate blighted conditions and encourage redevelopment projects; and

WHEREAS, to induce development pursuant to the Act, the City Council of the City ("City") adopted the following ordinances on February 6, 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 Project Area as a Tax Increment Financing District"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Expanded North Loop Redevelopment Project Area" (collectively referred to as the "TIF Ordinances", the North Loop Redevelopment Project Area is hereby referred to as the "Project Area", and the Tax Increment Redevelopment Plan for the Project Area is hereby referred to as the "Plan"), and

WHEREAS, Developer owns that certain property located at 75 East Wacker Drive, Chicago, Illinois, which parcel is located

within the boundaries of the Project Area and legally described on Exhibit A attached hereto ("Property"); and

WHEREAS, the Property is presently improved with that certain forty (40) story building ("Building") commonly referred to as the "Mather Tower", which Building was designed by architect Herbert Riddle in the 1920's to reflect the City's then obsession with height as articulated in the 1923 Chicago Zoning Ordinance, was completed in 1928, is a prime example of a "Modernistic" skyscraper, and has been designated as a Chicago landmark pursuant to that certain ordinance adopted by the City Council on March 7, 2001 (C.J.P. 53461-53467) ("Landmarks Ordinance") pursuant to the criteria established in Section 2-120-580 of the Municipal Code of Chicago; and

WHEREAS, in conjunction with the Landmarks Ordinance, the City Council, by ordinance adopted March 28, 2001 (C.J.P. 55297-55308), determined that the proposed renovation and rehabilitation of the Building, as described herein as the "Project" and the "Interior Building Project" and meeting the definition of "Substantial Rehabilitation" in Section 1 of the Real Property Assessment Classification Ordinance passed by the Cook County Board of Commissioners ("Classification Ordinance"), meets the necessary requirements for Class L property tax ("Class L") designation under the Classification Ordinance, that the incentive provided by the Class L designation is necessary with regard to the undertaking of the Project and the Interior Building Project by Developer, that the City supports and consents to the granting of the Class L property tax incentive, that the proposed rehabilitation of the Building as a hotel and commercial office building will facilitate the preservation of the Building, increase employment opportunities in the area and contribute to the long-term growth of the real property tax base, and that the City will recommend to the Cook County Board of Commissioners that the Class L property tax incentive be granted; and

WHEREAS, the City Council, by ordinance adopted March 28, 2001 (C.J.P. 55144-55217) authorized the execution of this Agreement by the parties and the undertaking by Developer of certain preliminary construction and renovation activities relating to the Building, including, without limitation, exterior rehabilitation work, which work is further described herein and on Exhibit B attached hereto and is referred to as the "Base Building Project"; and

WHEREAS, the City Council in the ordinance described in the preceding paragraph also authorized the granting by the City to Developer of certain funds derived from the City's North Loop

Preservation Fund in an amount not to exceed the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) to be utilized for certain costs involved in the Project which for purposes of the Agreement are defined herein as "BB-Funded Costs"; and

WHEREAS, in addition to the Base Building Project, Developer shall undertake to re-construct the cupola of the Building and to provide for the addition of architectural lighting at the top of the Building (collectively, the "TIF-Funded Project"); and

WHEREAS, in addition to the Project, Developer shall undertake: (1) additional renovation work to the facade of the Building beyond the Base Building Project, including, without limitation, the repair and the replacement of a portion of the terra cotta of the Building, which for purposes of the Agreement is defined as the "Expanded Building Project" as more fully described in Section 3.1 and Exhibit B attached hereto; and (2) to renovate floors 1 to 9 of the Building for office uses, if possible, convert floors 10-40 of the Building for use as a corporate hotel (or in the alternative, renovate for office uses), and develop commercial space on the first floor of the Building (collectively, the "Interior Building Project", as more fully described on Exhibit B attached hereto), which shall be funded entirely by Developer through equity and/or private lender financing; and

WHEREAS, the parties agree that certain work relating to the TIF-Funded Project (for purposes of the Agreement, "TIF-Funded Improvements") may be funded by the City in an amount not to exceed the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) ("City's TIF Funds"), which TIF Funds are derived from a portion of the proceeds of the City of Chicago Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 1997, [REDACTED] B Bonds, or Series 2000, [REDACTED] 2000 Bonds, pursuant to an ordinance adopted by the City Council on June 30, 1997 and May 17, 2000, respectively; and

WHEREAS, the Base Building Project and the TIF-Funded Project are more fully described on Exhibit B attached hereto, and shall be constructed and/or developed in accordance with the Plan, the Landmarks Ordinance, and the terms and conditions of this Agreement, and furthermore, upon the completion of the TIF-Funded Project, the Building shall be maintained consistent with the Plan and in accordance with the terms and provisions of this Agreement and the Landmarks Ordinance; and

WHEREAS, for purposes of the Agreement, the Base Building Project and the TIF-Funded Project are collectively referred to as the "Project", and the Project, the Expanded Building Project and

the Interior Building Project are collectively referred to as the "Redevelopment of the Building"; and

WHEREAS, Developer and the City acknowledge that the implementation of the polices and provisions described in the Agreement will be of mutual benefit to Developer and the City; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

DEFINITIONS

For all purposes of the Agreement, each of the following terms shall have the respective meaning assigned to it as follows:

Affidavits: Those certain affidavits and certifications executed and delivered by Developer as required by the City and consisting of an Economic Disclosure Statement and any other customary affidavit or certification required by the City in connection with the Agreement.

Affiliate: Any person or entity directly or indirectly controlling, controlled by or under the common control with Developer.

Architect: The architect hired by Developer to produce the Scope Drawings and the Construction Drawings and Specifications.

Base Building Project: The meaning set forth in the Recitals and as more fully described in Section 3.1 and on Exhibit B attached hereto. The Base Building Project shall be developed in accordance with Construction Drawings and Specifications approved by the City pursuant to Section 3.3.

City: The City of Chicago, an Illinois municipal corporation.

Commissioner: The Commissioner of Planning and Development of the City of Chicago.

Completion: The substantial completion of the Project. The Project shall be considered substantially complete when improvements and all common or public areas of the Project are substantially finished and ready for use and occupancy for the purpose intended.

Construction Drawings and Specifications: The final construction documents containing working drawings and specifications for the Project, including, without limitation and as applicable, construction drawings, signage or lighting plans, and accessibility plans.

Developer: Michigan Wacker Associates, LLC, a Delaware limited liability company.

DPD: City of Chicago Department of Planning and Development.

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

Equity: Funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Developer's Financial Contribution.

Expanded Building Project: The meaning set forth in the Recitals and as more fully described in Section 3.1 and on Exhibit B attached hereto.

Final Certificate: The final certificate of completion to be issued by the City once all of the Partial Certificates have been issued by the City regarding the development and construction of the Base Building Project, the TIF-Funded Project, the Expanded Building Project and the Interior Building Project, in accordance with Section 3.12.

Final Inspector's Certificate: The meaning set forth in Section 3.6(c)(5).

General Contractor: _____.

Hazardous Materials: 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.

Inspector: The independent inspecting architect selected by the Lender and approved by the City pursuant to Section 3.6(c)(5).

Interior Building Project: The meaning set forth in the Recitals.

Lender: The meaning set forth in Section 3.6(a)(4).

Lender Financing: The meaning set forth in Section 3.6(a)(4).

Loan Agreement: The meaning set forth in Section 3.6(a)(4).

Partial Certificate: The certificate of completion to be issued by the City as each of the development and construction of the Base Building Project, the TIF-Funded Project, the Expanded Building Project and the Interior Building Project has been completed, in accordance with Section 3.12.

Plan: The meaning set forth in the Recitals.

Project: Collectively, the Base Building Project and the TIF-Funded Project.

Property: That certain real estate legally described on Exhibit A attached hereto.

Recorder's Office: The Office of the Recorder of Deeds of Cook County, Illinois.

Redevelopment Area: The meaning set forth in the Recitals.

Redevelopment of the Project: Collectively, the Project, the Expanded Building Project and the Interior Building Project.

Schedule: The schedule for the construction and completion of the Project and the Interior Building Project which is described on

Exhibit F attached hereto, as the same may be revised and updated from time to time pursuant to the provisions of the Agreement.

Scope Drawings: The preliminary schematic drawings and construction documents describing the proposed construction work constituting the Project as identified on Exhibit C attached hereto.

Term of the Agreement: The period of time commencing with the execution date of the Agreement and ending on the date on which the Redevelopment Area is no longer in effect (through and including March 1, 2007).

TIF Act: The Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (1996), as amended from time to time.

TIF-Funded Project: The meaning set forth in the Recitals and as more fully described in Section 3.1 and on Exhibit B attached hereto. The TIF-Funded Project shall be developed in accordance with Construction Drawings and Specifications approved by the City pursuant to Section 3.3.

WARN Act: The Worker Adjustment and Retraining Notification Act, 29 U.S.C. Sect. 2101 et seq. (1997).

SECTION I
INCORPORATION OF RECITALS AND DEFINITIONS

The recitals and definitions set forth above constitute an integral part of the Agreement and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

SECTION II
COVENANTS, REPRESENTATIONS AND WARRANTIES

2.1 Covenants, Representations and Warranties of Developer.

To induce the City to execute the Agreement and perform the obligations of the City hereunder, Developer hereby covenants, represents and warrants to the City as follows:

- (a) Developer is a duly organized and existing limited liability company in good standing under the laws of the State of Delaware. As of the execution date of the Agreement, the members of Developer ("Member") are Financial District Associates, L.P., a New York limited

partnership, and Devonshire Arch Associates, L.P., a Massachusetts limited partnership, and the manager is Adams/Wacker Operating Co., Inc., an Illinois corporation. The rights and responsibilities of the Members and the organization of Developer is further described in that certain operating agreement ("LLC Agreement") dated as of August 15, 2000, a copy of which has been delivered to the DPD. In accordance with the LLC Agreement, Financial District Associates shall have a sixty percent (60%) ownership interest, and Devonshire Arch Associates a forty percent (40%) ownership interest, in Developer. Developer agrees that the LLC Agreement shall not be modified or amended in any material manner without the express written consent of the DPD.

- (b) No litigation or proceedings are pending or, to the best of each Member's knowledge, are threatened against Developer or any Member which could: (i) affect the ability of Developer or any Member to perform its obligations pursuant to and as contemplated by the terms and provisions of the Agreement; or (ii) materially affect the operation or financial condition of Developer or either Member.
- (c) The execution, delivery and performance by Developer of the Agreement have not constituted or will not, upon the giving of notice or lapse of time, or both, constitute a breach or default under any other agreement to which Developer or any Member is a party or may be bound or affected, or a violation of any law or court order which may affect the Property, any part thereof, any interest therein or the use thereof.
- (d) The parties executing the Agreement on behalf of Developer have been duly authorized by all appropriate action to enter into, execute and deliver the Agreement and the Public Benefits Agreement and perform the terms and obligations contained therein.
- (e) To the best of its knowledge, the development of the Project and the intended use of the Property by Developer does not and shall not violate: (i) any statute, law, regulation, rule, ordinance or executive or judicial order of any kind (including, without limitation, zoning and building laws, ordinances, codes or approvals and environmental protection laws or regulations); or (ii) any building permit, restriction of record or any agreement affecting the Property or any part thereof.

- (f) Except as otherwise provided in the Agreement, prior to the issuance of the Final Certificate, Developer shall not, without the prior written consent of the DPD, which consent shall not be unreasonably withheld: (i) be a party to any merger, liquidation or consolidation (including the consolidation of lower tier companies into an upper tier company (e.g. a "roll up") or public offering involving the Property); (ii) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (other than as permitted by the provisions of Section 8.3); (iii) grant, suffer or permit any lien, claim or encumbrance upon the Property or any portion thereof (unless Developer has taken such action as to cause the Title Company to insure over any title encumbrances caused by such liens or claims); (iv) permit or suffer any levy, attachment, claim or restraint to be made affecting the Property or any portion thereof; or (v) enter into any transaction not in the ordinary course of business of Developer which materially or adversely affects Developer's ability to pay its debts as such may then exist or mature.
- (g) Developer has and shall or will maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct and complete the Project.
- (h) Neither Developer or any Member is in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which such entity is a party or by which such entity or the Property is bound.
- (i) The Financial Statements are, and when hereafter required to be submitted will be, complete in all material respects and accurately present the assets, liabilities, results of operations and financial condition of Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements.
- (j) Neither Developer or any Member has made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with this 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 Developer in violation of Chapter 2-156-120 of the Municipal Code.

- (k) Developer shall construct and develop the Project solely for those uses permitted by the terms of the Agreement and the Plan.
- (1) Developer shall comply with the terms of: (1) the Affidavits; (2) the Employment Opportunity Obligations described in Section V of the Agreement; (3) the Public Policy Covenants and other requirements described in Section VI.

2.2 Representations and Warranties of the City.

To induce Developer to execute the Agreement and perform the obligations of Developer hereunder, the City hereby represents and warrants to Developer that the City has authority under its home rule powers granted in the Constitution of the State of Illinois to enter into, execute, deliver and accept, as the case may be, the Agreement, and to perform any and all of its obligations thereunder.

2.3 Survival of Representations and Warranties.

Developer agrees that all of its representations and warranties, and the City agrees that all of its representations and warranties, set forth in this Section II or elsewhere in the Agreement are true as of the execution date of the Agreement and will be true in all material respects at all times hereafter during the Term of the Agreement, except with respect to matters which have been disclosed in writing to and approved by the other party.

SECTION III DEVELOPMENT OF THE BUILDING

3.1 Scope of the Project, Expanded Building Project and the Interior Building Project; Environmental Issues.

(a) **Scope.** Upon the execution of this Agreement by the parties, Developer agrees to diligently pursue the issuance of the building permit regarding the Base Building Project by the City's Department of Buildings, and shall commence with the development of the Base Building Project no later than thirty (30) days after the issuance of said building permit. The scope of work for the Base

Building Project is more fully described on Exhibit B attached hereto.

Commencement of the TIF-Funded Project shall occur in accordance with the Schedule and is currently anticipated to be in spring 2002, but in any event, within thirty (30) days of the issuance of the building permit for the first phase of the TIF-Funded Project. The scope of work for the TIF-Funded Project shall include the following: (a) the re-construction of the approximately forty-five (45) foot cupola of the Building; and (b) the provision of architectural accent lighting. The scope of the TIF-Funded Project is also more fully described on Exhibit B attached hereto.

Commencement of the Expanded Building Project shall occur in accordance with the Schedule and is currently anticipated to be in spring 2001, but in any event, within thirty (30) days of the issuance of the building permit for the first phase of the Expanded Building Project. For purposes of the Agreement, the Expanded Building Project shall consist of the following: (a) the upgrading and renovation of all mechanical systems for the Building and bringing the Building up to a standard acceptable to the Chicago Fire Department; (b) renovation of the elevator system; (c) renovating the first floor for commercial uses and consistent with the terms and provisions of the Landmarks Ordinance; and (d) the restoration of the facade of the Building consistent with the terms and provisions of the Landmarks Ordinance, as follows: (i) retaining of the tower of the Building; (ii) with regard to floors 1-5 of the Building, preserving the architectural features of the facade using terra cotta replacement masonry units; and (iii) with regard to floors 6-40 of the Building, restore the overall exterior architectural character of the facade; all as more particularly described on Exhibit B attached hereto.

Commencement of the Interior Building Project shall occur in accordance with the Schedule (subject to Permitted Delays), and in any event, within thirty (30) days of the issuance of the building permit for the first phase of the Interior Building Project, which Developer shall diligently and timely pursue. Within thirty (30) days prior to the commencement of the Interior Building Project, Developer shall deliver to the DPD a written description of the scope of work for the Interior Building Project.

The Schedule for the development, construction and completion of the Project and the Interior Building Project is attached hereto as Exhibit F.

The development and construction work constituting the various aspects of the Project shall be undertaken by Developer

substantially in accordance with the terms and conditions of this Agreement, the provisions of the Landmarks Ordinance (where applicable), and the Construction Drawings and Specifications approved by the DPD in accordance with the procedures described in Section 3.3.

(b) **Environmental and Accessibility Audits.** Within ___ days of the execution date of the Agreement, Developer shall provide the DPD with copies of any Phase I Environmental and accessibility audits with respect to the Property. Based on the City's review of the Phase I environmental audit(s), the City may, in its sole reasonable discretion, require the completion of a Phase II environmental audit with respect to the Property prior to the commencement of the Project.

Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude (and Developer has concluded) that the Project shall be constructed, developed, completed and operated in accordance with all Environmental Laws. Developer also represents and warrants to the City that the Project shall be constructed, developed, completed and operated in accordance with this Agreement and all Exhibits attached hereto, the construction documents described in Section 3.3, the Bond Ordinances and the Plan.

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

3.2 The Project's Development Parameters. The Project shall

be constructed substantially in accordance with the Construction Drawings and Specifications and shall be subject to the following development parameters:

- (a) Developer's Scope Drawings, a reduced copy of which is attached hereto as Exhibit C, setting forth the intended scope of the Project, and a narrative description of the Project, have been approved by the DPD.
- (b) Any exterior awnings and signage utilized by Developer located at the Project shall meet the prior written approval of the DPD.
- (c) During the construction of the Project, the Expanded Building Project and the Interior Building Project, loading access to the Property shall be coordinated with the City's Department of Transportation. Upon completion of the Project, the Expanded Building Project and the Interior Building Project, loading access to the Building shall occur solely through loading docks located at lower Wacker Drive on the north side of the Building.
- (d) Any and all work relating to the Project which is governed by the terms and conditions of the Landmarks Ordinance shall be done in conformity with said ordinance and shall meet or exceed the U.S. Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings.

3.3 Submission of Construction Documents.

(a) **Scope Drawings; Design Development Plans.** Developer's Scope Drawings regarding the development of the Project to be constructed at the Property have been approved by the DPD, and reduced copies of which are attached hereto as Exhibit C. Within thirty (30) days of the execution of the Agreement, Developer shall prepare and submit to the DPD for its approval proposed design development plans for the Base Building Project based upon and consistent with the approved Scope Drawings. These design development plans shall also conform to the terms of the Agreement, the Plan, as amended from time to time, the Landmarks Ordinance, where applicable, and all applicable state and local laws, ordinances and regulations. The DPD shall have seven (7) business days in which to approve or reject the design development plans. If DPD rejects the design development plans, the DPD shall deliver written notice of such to Developer. Developer shall thereafter have seven (7) days in order to revise them consistent with the requirements of the DPD, and resubmit them to the DPD for approval.

The DPD shall thereafter have five (5) days upon receipt from which to review or reject the resubmitted documents.

Within one hundred twenty (120) days of the execution of the Agreement, Developer shall prepare and submit to the DPD for its approval proposed design development plans for the TIF-Funded Project based upon and consistent with the approved Scope Drawings. The approval process for these plans shall be identical to that described in the preceding paragraph.

Any material change to the design plans (either for the Base Building Project or the TIF-Funded Project) must be submitted to the DPD for its approval, which approval by the DPD shall not be unreasonably withheld or delayed.

(b) Development of Construction Documents. Within forty-five (45) days following receipt of approval by the DPD of the design plans for the Base Building Project, Developer shall submit to the DPD for its approval the proposed final construction documents regarding the development of the Base Building Project, or such longer time so long as Developer is diligently pursuing the development of these construction documents. The DPD shall have twenty (20) business days in which to approve or reject the construction documents. If the DPD rejects the construction documents, the DPD shall deliver written notice of such to Developer. Developer shall thereafter have seven (7) days in order to revise them consistent with the requirements of the DPD, as the case may be, and resubmit them to the DPD for approval. The City shall thereafter have seven (7) days upon receipt from which to review or reject the resubmitted documents.

Within thirty (30) days following receipt of approval by the DPD of the design plans for the TIF-Funded Project, Developer shall submit to the DPD for its approval the proposed final construction documents regarding the development of the TIF-Funded Project. The approval process for these plans shall be identical to that described in the preceding paragraph.

Developer's final design development drawings and specifications which have been approved by the DPD shall be considered the "Construction Drawings and Specifications" for purposes of the Agreement.

Any material change to any of the Construction Drawings and Specifications must be submitted to the DPD for its approval, which approval shall not be unreasonably withheld or delayed. If the DPD rejects such proposed changes to the Construction Drawings, it

shall inform Developer (with reasons therefor) in writing.

3.4 Limited Applicability of DPD's Approval. Any approvals of the Scope Drawings, design plans and the Construction Drawings and Specifications for the Project made by the DPD are for the purposes of the Agreement only and do not affect or constitute approvals required for building permits or approvals required pursuant to any other ordinance of the City, nor does any approval by the DPD pursuant to the Agreement constitute approval of the quality, structural soundness or the safety of the improvements constituting the Project. The City, however, agrees to assist Developer in expeditiously obtaining approvals for building permits affecting the Project. Developer agrees to notify the DPD within five (5) days of the issuance of any building permit by the City's Department of Buildings.

3.5 Construction Schedule; Hiring of General Contractor; Performance Bond.

(a) **Developer's Construction Schedule.** Developer's preliminary schedule ("Schedule") for the commencement and completion of the work constituting the Project (including Specialty Work, as defined below), the Expanded Building Project and the Interior Building Project has been approved by the DPD and is attached hereto as Exhibit F. The Schedule shall be subsequently revised by Developer during the construction of the Project, the Expanded Building Project and the Interior Building Project and submitted to the DPD on a quarterly basis commencing with the execution date of the Agreement.

(b) **Hiring of General Contractor; Subcontractors, for the Project.** Developer has notified the City that, prior to the execution of the Agreement, it has selected _____ as the General Contractor to undertake the construction of the Project.

With regard to the hiring of subcontractors by the General Contractor to undertake the construction of the pertinent work related to the Project (including Specialty Work), such Contractor shall solicit bids from qualified subcontractors eligible to do business with the City of Chicago to undertake the pertinent work, and shall submit all bids received to the DPD for its inspection (and with regard to work relating to the BB-Funded Costs and the TIF-Funded Improvements, the approval of the DPD). Developer shall seek to hire subcontractors at the lowest cost practicable in light of the objectives for the construction of the Project as expressed in the Agreement and in light of commercial reasonableness. All solicitations of bids by Developer or the General Contractor shall

require that the General Contractor and all Subcontractors comply with: (i) the Equal Employment Opportunity provisions described in Section 5.1 below; (ii) the Chicago Resident Employment Ordinance provisions described in Section 5.2 below; (iii) the Veteran Preference Act, 330 ILCS 55/11 et seq. (1993); (iv) the terms and provisions of the Chicago Human Rights Ordinance, Section 2-160-010 et seq., Municipal Code of Chicago; (v) the Prevailing Wage Act of Illinois, 820 ILCS 130/1 et seq. (1993), and (vi) all other applicable ordinances and regulations.

In addition to the requirements in the preceding paragraph, with regard to the BB-Funded Costs and the TIF-Funded Improvements, Developer shall cause the General Contractor to select the subcontractor who can complete the pertinent work in a timely manner. If the General Contractor selects any subcontractor submitting other than the lowest possible bid for the BB-Funded Costs and the TIF-Funded Improvements, the difference between the lowest possible bid and the bid selected may not be paid out of the City's Funds or the City's TIF Funds, as the case may be.

Notwithstanding the foregoing provisions of this subsection, Developer or the General Contractor may enter into a negotiated contract with a particular contractor regarding certain of the work relating to the Project ("Specialty Work"). Appropriate factors to be considered in the letting of the contract for the Specialty Work ("Specialty Contract"), but without limitation as to other appropriate factors, are peculiar or particular qualifications of the contractor or subcontractor considering the nature of the subject work, time constraints or the specialized nature of certain work to be performed.

Prior to the execution thereof, Developer shall deliver to the DPD a copy of the proposed Construction Contract for the Project with the General Contractor for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of the Construction Contract, Developer shall deliver to the DPD a certified copy of such contract together with any modifications, amendments or supplements thereto. Photocopies of all Specialty Contracts and subcontracts ("Subcontracts") shall be delivered to the DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the Subcontractors shall not) begin work on the Project until the pertinent Construction Drawings and Specifications have been approved by the DPD and all requisite permits have been obtained.

The Construction Contract, each Specialty Contract, and each

Subcontract must contain provisions: (i) regarding compliance with the laws and regulations described in this Section and in the Agreement; (ii) naming the City as a third party beneficiary and an assignee; and (iii) obligating the General Contractor or any Subcontractor to furnish such reports and information as requested by the Chicago Commission on Human Relations to determine compliance with the Chicago Human Rights Ordinance.

(c) Bonds. Prior to the commencement of any portion of the Project in the public way, Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. 311 or its equivalent. The City shall be named as obligee or co-obligee on such bond. Prior to the commencement by the General Contractor or any subcontractor with work in the public way, the General Contractor and any such Subcontractor shall comply with the licensing, letter of credit, insurance and bonding, and other requirements applicable under the Municipal Code.

Notwithstanding the above, if the Lender requires that the General Contractor obtain a payment and performance bond with regard to the undertaking of the Project, the City shall be named as co-obligee on such bond.

3.6 Financing the Project.

(a) Budget and Developer's Financial Contribution.

(1) Budget.

(i) The Project. Developer's preliminary budget, setting forth the projected and anticipated development costs with regard to the Project, has been approved by the DPD and is attached hereto as Exhibit D ("Budget"), as the same shall be subject to revision as hereinafter provided. Within thirty (30) days after the DPD approves the Design Plans for the Base Building Project, Developer shall deliver to the DPD for its approval a revised written Budget for the Project, based upon the preliminary Budget, the Design Plans and any architectural and engineering studies undertaken by Developer with regard to the Project. The Budget shall also contain a description disclosing in sufficient detail any revised information concerning the sources of Developer's Financial Contribution (as defined below), if any. As the Construction Drawings and Specifications for the Base Building Project, and the Design Plans and Construction Drawings and Specifications for the TIF-Funded Project are prepared, Developer shall be obligated to periodically revise the Budget (on a quarterly basis) and deliver

same to the DPD for its approval.

(ii) **Budget for the Expanded Building Project and the Interior Building Project.** With regard to the construction and development of the Expanded Building Project and the Interior Building Project, Developer has provided to the DPD a scope of work relating to each undertaking, and additionally, as part of the Budget attached hereto as Exhibit B, a description of the costs relating to each.

(2) **Change Orders.** Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes in the Project must be submitted by Developer to the DPD and the Inspector concurrently with the progress reports described in paragraph (3) below. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of any materials in connection therewith prior to the receipt by Developer of the DPD's written approval. The Construction Contract and each Specialty Contract shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of the City's Financial Contribution which the City has committed pursuant to this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this paragraph, Change Orders costing less than Two Hundred Fifty Thousand Dollars (\$250,000) each, to an aggregate amount of One Million Dollars (\$1,000,000), do not require the DPD's prior written approval as set forth in this paragraph; but the DPD and the Inspector shall be notified in writing of all such Change Orders in conjunction with the aforementioned progress reports (provided, however, for those Change Orders requiring the written approval of the DPD, prior to the implementation thereof) and Developer, in connection with such notice, shall identify to the DPD the source of funding therefor.

(3) **Progress Reports.** Developer shall provide the DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order requiring the DPD's prior written approval. Developer shall provide three (3) copies of any updated survey to the DPD upon its request.

(4) **Developer's Financial Contribution.** As of the execution date of the Agreement, the total construction and development costs relating to the "Redevelopment of the Building" (which consists of the Project, the Expanded Building Project and the Interior Building Project) are estimated to be Thirty One Million

One Hundred Thousand Dollars (\$31,100,000). Funds for the Redevelopment of the Building shall be obtained by Developer through equity and possibly, Lender Financing (as defined below) and, for purposes of the Agreement, such funds to be described as "Developer's Financial Contribution". Developer shall be solely responsible for all costs associated with the development of the Expanded Building Project and the Interior Building Project. With regard to the Project, during its undertaking, Developer shall pay for all development and construction costs related to the Project out of the Developer's Financial Contribution, provided, however, the City shall utilize the City's Financial Contribution (as described in Section 3.6(b)) to reimburse Developer for certain costs associated with the Base Building Project and the TIF-Funded Project upon their respective completion as evidenced by the issuance of the pertinent Certificate; provided, further, that Developer shall be solely responsible for all Project cost overruns beyond the City's Financial Contribution.

Developer has indicated to the City that as of the execution date of the Agreement, it has irrevocably committed funds in the form of equity that shall constitute the Developer's Financial Contribution to undertake the Redevelopment of the Building. In the event Developer chooses to do so in order to undertake the Redevelopment of the Building, Developer also shall be permitted to obtain a loan secured by the Property ("Lender Financing") from a reputable financial institution or other lender which is in good standing with the State of Illinois ("Lender"). In connection with any Lender Financing, Developer shall deliver to the DPD evidence of a commitment for adequate financing ("Commitment"), specifying the amount of Lender Financing, length of the term and the applicable interest rate. The terms of the Commitment shall be subject to the approval of the DPD, which approval shall not be unreasonably withheld or delayed, for the purpose of confirming that it is consistent with the requirements under the Redevelopment Agreement. Once the Commitment has been approved by the DPD and executed by the parties, the DPD shall also review and approve, for purposes of confirming that it is consistent with the requirements under the Redevelopment Agreement, the terms of the loan agreement ("Loan Agreement") regarding the Lender Financing to be executed by Developer and the Lender. The Lender shall be permitted to secure its loan by a mortgage ("First Mortgage"), or, if needed and obtained, a subsequent mortgage that replaces the First Mortgage, encumbering the Site and evidenced by a mortgage note ("First Mortgage Note"). The First Mortgage shall be subject to the terms and conditions of this Agreement; subject, however, to the provisions described in Sections 3.16 and 5.3 below.

Notwithstanding the provisions contained in this paragraph or

in the Agreement, Developer shall be permitted to obtain a First Mortgage in an amount not to exceed total costs regarding the Redevelopment of the Building minus the City's Financial Contribution and Equity, it being the obligation of Developer to fund as part of the Developer's Financial Contribution any excess costs of the Project beyond the City's Financial Contribution (whether through Lender Financing or Equity) and Developer shall hold the City harmless with respect thereto.

In such regard, Developer's ability to fulfill its obligation to provide the funds necessary with regard to the undertaking and Completion of the Project (including the obligation and responsibility for obtaining necessary funds covering all Project cost overruns beyond the City's Financial Contribution in accordance with the Budget), and the issuance of the Partial Certificate regarding the completion of the Base Building Project and the TIF-Funded Project, as the case may be, shall be a condition precedent to the City's obligation to provide the City's Financial Contribution as described below.

(5) Financial Statements. Not less than twenty (20) business days prior to the commencement of construction of the Base Building Project, Developer shall have provided Financial Statements for Developer to the DPD for the 2001 fiscal year, and such other financial statements as Developer may submit to Lender.

(b) City's Financial Contribution. The City shall make a financial contribution to assist Developer with the completion of the Project in the following manner: (i) with regard to the construction and development of the Base Building Project, the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) shall be utilized to reimburse Developer for "BB Funded Costs" as such are identified on Exhibit G attached hereto. The BB Funded Costs shall be paid for with funds derived from the City's North Loop Preservation Funds in accordance with the terms and provisions of the Agreement; and (ii) with regard to the construction and development of the TIF-Funded Project, the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) (or such lesser sum that Developer may be entitled to based on the final cost of the TIF-Funded Improvements and other requirements of developer as described in the Agreement) shall be utilized to reimburse Developer for "TIF-Funded Improvements" as such are identified on Exhibit G attached hereto. The TIF-Funded Improvements shall be paid for with funds derived from the proceeds from the Bonds, and that any proposed use of said funds must be in accordance with any laws, regulations and ordinances governing the use of such funds, including, without limitation, the Act.

The aggregate amount of the BB Funded Costs and the TIF-Funded Improvements shall be referred to as the "City's Financial Contribution". The parties agree that the City's Financial Contribution for eligible Project costs shall in no manner exceed the aggregate amount described above. Those sums of the City's Financial Contribution which constitute the BB-Funded Costs and the TIF-Funded Improvements shall be funded on a respective basis by the City to Developer upon the completion of the Base Building Project or the TIF-Funded Project, as the case may be, as evidenced (i) by the issuance of the Partial Certificate regarding the Base Building Project or the TIF-Funded Project, as the case may be, and (ii) provided that the City has been provided all of the necessary documentation during the construction of each undertaking, as further described in Section 3.6(c) and (d). If Developer achieves any cost savings with regard to the construction and development of the TIF-funded Improvements, the City and Developer shall share such savings on a 2/3 (Developer) - 1/3 (City) basis.

(c) Construction Documentation. In accordance with the terms and conditions of this Agreement, during the undertaking of the Redevelopment of the Building, Developer shall provide Developer's Financial Contribution to cover all development and construction costs associated therewith. Payments for work done shall be made by Developer directly to the General Contractor, and shall typically be done on at least a monthly basis. On each occasion that a payment is made to the General Contractor, Developer shall forward a copy of the General Contractor's sworn statement to the DPD as well as a statement of verification from the Architect. In addition, a pre-requisite to any payment to the General Contractor regarding the Project and the Expanded Building Project is the issuance of a certificate, or the Inspector's Final Certificate, by the Inspector (as defined below).

During the undertaking of the Project and the Expanded Building Project, Developer shall employ an inspector or architect ("Inspector") other than the architect who prepared the Design Plans or the Construction Drawings and Specifications. The Inspector (the selection of such meeting the prior written approval of the DPD) shall review for the parties all activities associated with the completion of the Project and the Expanded Building Project, which Inspector shall certify or otherwise indicate to the City on the form attached hereto as Exhibit E that the completion of such work of the Project or the Expanded Building Project, as the case may be, to the date of the request for payment from the General Contractor and as certified by the Architect is as set forth in said Request for Advance and certificate, and that such demolition, renovation, rehabilitation or construction, as the case may be, complies with the pertinent Construction Drawings and

Specifications, such indication from the Inspector to be a condition precedent to the payment to the General Contractor for the pertinent work. A representative of the DPD shall have the right, but not the obligation, to accompany the Inspector during his inspection of the Project. In such event, the DPD representative may be accompanied by a representative of Developer and shall not possess the authority to issue instructions to any personnel at the Property other than through the representative of Developer.

Prior to the final completion of the Base Building Project, the TIF-Funded Project or the Expanded Building Project, as the case may be, Developer, the Architect, the Inspector and the City shall conduct a preliminary inspection of the Property and the Building, and thereafter the Inspector (in consultation with the Developer, the City and the Architect) shall prepare a list of punch list items to be undertaken by Developer. Once such work is completed, the Inspector and the City shall re-inspect the Property, and if satisfied, the Inspector shall issue a certificate ("Final Inspector's Certificate") that the construction of the Base Building Project, the TIF-Funded Project or the Expanded Building Project, as the case may be, is completed in accordance with the the pertinent Construction Drawings and Specifications, the Agreement and the Redevelopment Plan. The determination of the Inspector with regard to Developer's compliance with the construction of the Project in accordance with the pertinent Construction Drawings and Specifications collectively as described in this Section shall be binding on the parties and shall be a pre-condition to the issuance of the Certificate.

(d) Payment of City's Financial Contribution. Once each of the Base Building Project and the TIF-Funded Project are completed by Developer (as evidenced by the issuance of the pertinent Partial Certificate), and Developer is otherwise in compliance with its obligations under the Agreement, including, without limitation, Section V, Developer may request from the City a reimbursement of costs relating to the Base Building Project and the TIF-Funded Project, as the case may be, in an aggregate amount for each not to exceed those sums described in Section 3.6(b). Such request must be in writing accompanied by: (i) the Inspector's Final Certificate, (ii) the certificate from the Architect; (iii) the final owner's and the General Contractor's sworn statements and a final waiver of lien from the General Contractor and each of the pertinent Subcontractors.

3.7 Relocation of Utilities. In the event Developer requests the relocation, repair or replacement of any existing City utility lines in and under the Property, the public streets or private

property adjacent to the Property, Developer agrees to cause such utilities to be relocated, repaired or replaced at Developer's sole expense. The DPD shall use its best efforts to assist Developer in obtaining the cooperation of any City agency with regard to the relocation, repair or replacement of existing utility lines. Under no circumstances shall the City be financially responsible for the relocation, repair or replacement of any utility lines as a result of the Agreement.

3.8 Commencement and Completion. Developer, subject to Permitted Delays as are described in Section 4.2 below, shall commence with the construction of the Project within one hundred twenty (120) days from the execution date of the Agreement and in accordance with the issuance of the first building permit affecting the Project, the application for which Developer shall timely submit and diligently pursue. Except as otherwise provided in the Agreement, Developer shall complete the Redevelopment of the Building (as evidenced by the issuance of the Final Certificate by the City), subject to such Permitted Delays as are described in Section 4.2 below, within twenty-four (24) months from the commencement date. Developer agrees for itself, its successors and assigns, that Developer, its successors and assigns, shall promptly begin and diligently complete the Redevelopment of the Building within the time periods specified in this Section 3.8.

3.9 Barricades. Prior to the commencement of any demolition or construction activity requiring barricades, Developer shall install a 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. The City shall retain the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.10 Signs and Public Relations. Developer shall erect a sign of size and style approved by the DPD in a conspicuous location at the Project and the Property during the construction of the Project, indicating that the undertaking of the Project is in accordance with the Plan. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer and the Project in the City's promotional literature and communications. After the issuance of the Final Certificate until the expiration of the Term of the Agreement, the DPD shall also have the right to approve any changes in signage that are inconsistent with the original signage approved for the Project.

3.11 Intentionally Deleted.

3.12 Certificate of Completion - Partial and Final. As each of the Base Building Project, the TIF-Funded Project, the Expanded Building Project and the Interior Building Project is completed (as evidenced (other than the Interior Building Project) by the issuance of the Final Inspector's Certificate) substantially in accordance with the approved Construction Drawings and Specifications, the Agreement and the Plan), the City, upon written request by Developer, shall furnish Developer with an appropriate Partial Certificate. The Partial Certificate shall be a conclusive determination of satisfaction and termination of the covenants in the Agreement with respect to the obligations of Developer and its successors and assigns to complete the Base Building Project, the TIF-Funded Project, the Expanded Building Project and the Interior Building Project, as the case may be. Once the Partial Certificates are issued for all of the above, the City shall issue a "Final Certificate" regarding the Building. The Partial Certificates and the Final Certificate, however, shall not constitute evidence that Developer has complied with any applicable provisions of federal, state and local laws, ordinances and regulations with regard to the completion of the Base Building Project, the TIF-Funded Project, the Expanded Building Project or the Interior Building Project, as the case may be, nor shall it serve as any "guaranty" of the structural soundness or quality of the construction of the Project, the Expanded Building Project or the Interior Building Project, nor shall it serve to release Developer, or its successors and assigns, from its obligations as described in Section VI of the Agreement.

The Partial Certificates and Final Certificate shall be in recordable form. Upon written request by Developer for the Partial Certificate, the City, within twenty (20) days after receipt of the same, shall undertake an inspection of the Base Building Project, the TIF-Funded Project, the Expanded Building Project or the Interior Building Project, as the case may be, and the Property accompanied by a representative of Developer and thereafter provide Developer either with the Partial Certificate or a written statement indicating in adequate detail how Developer has failed to complete the pertinent undertaking in conformity with the Agreement, the Plan and the Construction Drawings and Specifications, or is otherwise in default, and what measures or acts will be necessary, in the reasonable opinion of the City, for Developer to perform in order to obtain the Certificate. Developer shall promptly, but in all events within sixty (60) days, correct any such nonconformity or default. Upon compliance with the City's requirements, Developer shall resubmit a written request for a Certificate from the City.

3.13 Insurance.

Developer shall provide and maintain at Developer's own expense, or cause its General Contractor and Subcontractors to provide and maintain, during the Term of this Agreement the insurance coverages and requirements specified below, insuring all operations related to the construction of the Project and the terms and provisions of the Agreement.

(a) Prior to Execution and Delivery of the Agreement and During the Term of the Agreement:

(i) Workers Compensation and Employers Liability Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement and employers Liability Coverage with limited of not less that \$100,000 each accident or illness.

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

(b) During the Construction of the Project:

(i) Workers Compensation and Employers Liability Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement and employers Liability Coverage with limited of not less that \$500,000 each accident or illness.

(ii) Commercial Liability Insurance (Primary and Umbrella). Commercial General Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following the completion of the Project), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City is to be named as an additional

insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

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

(iv) Railroad Protective Liability Insurance. When any work is to be done adjacent to or on railroad or transit property, the General Contractor shall provide, or cause to be provided with respect to the operations that the General Contractor performs, the above-stated insurance in the name of the 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 the property, including the loss of use thereof.

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

(vi) Professional Liability. When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors or omissions shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, the execution date of the Agreement and the commencement of the Project.

(vii) Contractors Pollution Liability. When any remediation work is performed which may cause a pollution exposure, contractor's pollution liability insurance shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with, or precede, the execution date of the Agreement and the commencement of the Project. A claims-made policy which is not

renewed or replaced must have an extended reporting period of one (1) year. The City is to be named as an additional insured on a primary, non-contributory basis.

Developer will furnish the DPD original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement (including, without limitation, Workers Compensation and Employers Liability Insurance, Commercial General Liability Insurance (Primary and Umbrella), Automobile Liability Insurance (Primary and Umbrella), Railroad Protective Liability Insurance, Builders Risk Insurance, Contractors Pollution Liability Insurance, and All Risk Property Insurance), 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 receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer shall not be deemed to be a waiver by the City. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work or suspend the Agreement until proper evidence of insurance is provided.

The insurance shall provide for thirty (30) days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

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

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

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

Developer expressly understands and agrees that Developer's insurance is primary and that any insurance or self insurance programs maintained by the City of Chicago shall apply in excess of

and not contribute with insurance provided by the Developer under the Agreement.

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

Developer shall require the General Contractor and all Subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor and the Subcontractors. The General Contractor, other contractors, and Subcontractors shall be subject to the same insurance requirements of Developer unless otherwise specified herein.

If Developer, the General Contractor, other contractors or Subcontractors desires additional coverages, Developer, the General Contractor, other such contractors and each Subcontractor shall be responsible for the acquisition and cost of such additional protection.

The City of Chicago Risk Management Department, in its discretion reasonably exercised, maintains the right to modify, delete, alter or change these requirements; provided, however, the parties agree that the City cannot change the insurance requirements as described in this Section 3.13 by requiring additional evidence of insurance from Developer or by specifying the type of insurance other than that described herein.

3.14 Prohibition Against Unpermitted Encumbrances.

Prior to the completion of the Project as certified by the City, neither Developer nor any successor in interest to the Property shall engage in any financing or other transaction the effect of which creates an encumbrance or lien upon the Property; provided, however, that Developer, subject to compliance with the Agreement and after receiving the prior written consent of the City, shall be permitted to obtain Lender Financing to the extent necessary for completing the Project.

3.15 Mortgagees Not Obligated to Construct. Notwithstanding any of the provisions of the Agreement, the holder of any mortgage or its affiliate authorized by the Agreement (including any holder who obtains title to the Property or any part thereof as a result of foreclosure proceedings, or by deed transfer in lieu thereof) shall not be obligated by the provisions of the Agreement to construct or complete the construction of the Project or to guarantee such construction or completion; provided, however, nothing in this Section 3.15 or any section of the Agreement shall

be deemed' or construed to permit or authorize any such holder or its affiliate to devote the Property or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or permitted in the Plan and the Agreement, including, without limitation, Sections 4.3(d) and (e) of the Agreement.

Whenever the City shall deliver a notice or demand with respect to any breach or default by Developer of its obligations under the Agreement, the City shall at the same time forward a copy of such notice or demand to any mortgagee whose address has been given in writing to the City. After any such default by Developer, each mortgagee shall (insofar as the City is concerned) have the right, at the mortgagee's option, to remedy such default.

Whenever the mortgagee shall deliver a notice or demand to Developer with respect to any breach or default by Developer of its obligations under the First Mortgage, the mortgagee shall at the same time forward a copy of such notice or demand to the City at the addresses listed in Section 7.12. After any such default by Developer, the City and each mortgagee shall have the right to remedy such default to the extent such default is susceptible to being cured. In such event, the City, in its discretion reasonably exercised, shall agree with any such mortgagee to any minor modifications of the Agreement as are requested by the mortgagee.

SECTION IV **PERFORMANCE**

4.1 Time of the Essence. Time is of the essence of the Agreement.

4.2 Permitted Delays. Neither the City, Developer, or any successor in interest to Developer, shall be considered in breach of its obligations with respect to the commencement and completion of the Project in the event of delay in the performance of such obligations due to causes, whether foreseeable or unforeseeable, beyond such party's control and without such party's fault or negligence, including but not limited to, any delays or halts in the development and construction of the Project which are compelled by court order, acts of God, acts of the public enemy, acts of the United States, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, industry-wide lockouts, inability to obtain materials, work stoppages, embargoes and unusually severe weather or delays of contractors or subcontractors due to any such cause (collectively, "Permitted Delays"). The time for the performance of the obligations shall be extended only for the

period of the Permitted Delays if the party seeking the extension shall request it in writing of the other party within twenty (20) days after the beginning of any such Permitted Delays.

4.3 Breach.

(a) Generally. Except as otherwise provided in the Agreement, in the event of default by any party or its successor in interest in the performance of its obligations under the Agreement, such party or successor, upon written notice from the other, shall proceed to immediately cure or remedy such default but, in any event, not later than sixty (60) days after receipt of such notice, or if the default in question cannot be cured within such sixty (60) day period, such additional time as is reasonably necessary (as agreed to by the parties) to cure such default. In the event such action is not diligently pursued or the default not cured within such time, the aggrieved party may institute such proceedings at law or in equity as may be necessary or desirable in its sole discretion to cure and remedy such default, including but not limited to, proceedings to compel specific performance by the party in default of its obligations.

(b) Event of Default. For purposes of the Agreement, the occurrence of any one or more of the following, which remains uncured during the cure period afforded by Section 4.3(a) above unless a different cure period is specifically provided with respect to any item set forth in this Section 4.3(b) below, shall constitute an "Event of Default":

- (1) If, during the Term of the Agreement, any covenant, warranty, representation or statement made or furnished by Developer under the Agreement (including the covenants, representations and warranties of Developer described in Section 2.1 above) has been materially breached or is not true and correct in any material respect; or
- (2) The commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of 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 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; or

- (3) The appointment of a receiver or trustee for Developer, 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 Developer, provided, however, that if appointment or 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; or
- (4) The entry of any judgment or order against Developer that has a material adverse effect on Developer's business, property, assets, operations, condition (financial or otherwise) which remains unsatisfied or undischarged and in effect for ninety (90) days after such entry without a stay of enforcement or execution; or
- (5) Failure of Developer to develop the construction documents in accordance with Section 3.3 above; or
- (6) If, unless otherwise governed by the terms and conditions set forth in Section 4.2 concerning Permitted Delays, Developer defaults in fulfilling its obligations with respect to the completion of the Project, the Expanded Building Project and the Interior Building Project (including the demolition of the existing improvements and the dates of the beginning and completion of the Project and the nature thereof) or abandons or substantially suspends demolition or construction work, as the case may be, and such default, violation, abandonment or suspension shall not be cured, ended or remedied within ninety (90) days of the date Developer receives written demand by the City to cure such default; or
- (7) Failure of Developer, consistent with the terms of this Agreement, to develop the Property as set forth in Section 3.1; or
- (8) Failure of Developer to pay real estate taxes or assessments affecting the Property or any part thereof when due, or placing thereon any encumbrance or lien unauthorized by the Agreement, or suffering any levy or

attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach to the Property or any part thereof, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the City made for such payment, removal or discharge within sixty (60) days after written demand by the City to remove such lien or encumbrance, or security is posted with the City or the Title Company sufficient to satisfy such liens and costs; or

- (9) Default by Developer in the payment of any sums required to be paid by Developer pursuant to the Agreement; or
- (10) The occurrence of an event of default within the context of the First Mortgage, which default is not cured within any applicable cure period; or
- (11) Failure to comply with the public policy covenants and other provisions as described further in Section VI below, and such default continues for a period of sixty (60) days after delivery of notice; or
- (12) Any assignment, pledge, encumbrance, transfer, hypothecation or other disposition is made in violation of Section 7.3 below or elsewhere in the Agreement; or
- (13) During the construction of the Project, failure to comply with Developer's Employment Opportunity Obligation provisions of Section V and the various Sections thereof; or
- (14) The institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in either Member, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in either Member, for any crime (other than a misdemeanor); or
- (15) The dissolution of Developer or either Member or the death and nonreplacement of any natural person who owns a material interest in either Member.

For purposes of (14) and (15) of this Section 4.3(b), a person with a material interest in either Member shall be one owning in excess of ten percent (10%) of the such Member's membership

interest or who serves as a manager or managing member for the Member.

(c) From Execution of Agreement Until Issuance of Final Certificate. If, from the execution date of the Agreement and until the issuance by the City of the Final Certificate, Developer defaults in any material manner as described in paragraph (b) of this Section 4.3, and fails to timely cure such default after the delivery of notice of default pursuant to Section 4.3(a) or (b), as applicable, the City may, upon delivery of written notice to Developer and Lender, if any, immediately terminate the Agreement and institute any action or proceeding at law or in equity against Developer.

(d) After Issuance of Final Certificate. Subsequent to the issuance of the Final Certificate until the expiration of the Term of the Agreement, Developer (or any successor in interest) shall maintain the Building and the Project in accordance with the terms and conditions of the Agreement and the Plan. Developer (or any successor in interest) shall maintain the Project and the Expanded Building Project in accordance with the terms and conditions of the Landmarks Ordinance.

4.4 Waiver and Estoppel. Any delay by the City in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive the City of or limit such rights in any way. No waiver made by the City with respect to any specific default by Developer shall be construed, considered or treated as a waiver of the rights of the City with respect to any other defaults of Developer.

4.5 Indemnity. Developer hereby agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, attorneys' fees and court costs) suffered or incurred by the City (except that caused by the negligence of the City) arising from or in connection with and to the extent of: (i) the failure of Developer to perform its obligations under the Agreement; (ii) the failure of Developer or any contractor to pay contractors, subcontractors or materialmen in connection with construction of the Project; (iii) a material misrepresentation or omission in the Plan or the Agreement (or other document relating thereto) which is the result of information supplied or omitted by Developer or by agents, employees, contractors or persons acting under the control or at the request of Developer; (iv) any activity undertaken by Developer at the Property; and (v) any claim or cost relating to the soil and environmental condition of the Property.

4.6 Access to the Property. Subsequent to the acquisition of the Property by Developer until the expiration of the Term of the Agreement, any duly authorized representative of the DPD shall, at all reasonable times and upon reasonable notice to Developer (except in the event of an emergency), have access to the Property for the purpose of confirming Developer's compliance with the Agreement, the Plan, or both.

4.7 City's Right to Inspect Records. Developer agrees that the City shall have the right and authority to review and audit, from time to time, Developer's books and records relating to the Project, including, without limitation, Developer's loan statements, general contractor's sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices. All such books, records and other documents shall be available at the offices of Developer for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the DPD upon prior reasonable notice to Developer and at the DPD's cost and expense.

**SECTION V
DEVELOPER'S EMPLOYMENT OPPORTUNITY OBLIGATION**

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

- A. No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code of Chicago, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or

source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

- B. To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate- income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in the City.
- 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 Human Rights Ordinance, and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.
- D. Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.
- E. Each Employer shall include the foregoing provisions of subparagraphs A through D in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract

entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

- F. Failure to comply with the employment obligations described in this Section 5.1 shall be a basis for the City to pursue remedies under the provisions of Section V hereof.

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

Developer and the other Employers 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 of Chicago.

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

Developer and the other Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the Project. Developer and the other Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of the 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 company hired the employee should be written in after the employee's name.

Developer and the other Employers shall provide full access to their employment records to the Purchasing Agent, the Commissioner of the DPD, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. Developer and the other Employers shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project as evidenced by the Final Certificate.

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

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

When work at the Project is completed, in the event that the City has determined that Developer and the other Employers failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance it is agreed that 1/20 of 1 percent (.05%), 0.0005, of the aggregate hard construction costs set forth in the Budget (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer and/or the other Employers to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer and/or the other Employers or employee to prosecution. Any retainage to cover contract performance that may become due to Developer and the other Employers pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending

the Purchasing Agent's determination whether Developer and the other Employers 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 the Agreement.

Developer shall cause or require the provisions of this Section 5.2 to be included in all construction contracts and subcontracts related to the Project.

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

- A. Consistent with the findings which support the Minority-Owned and Women Owned Business Enterprise Procurement Program ("MBE/WBE Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 5.3, during the course of construction of the Project, at least the following percentages of the aggregate "hard costs" and construction-related soft costs (as set forth in the Budget), but specifically excluding the work relating to Specialty Contracts), shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"):
 - a. At least 25% by MBEs.
 - b. At least 5% by WBEs.

Notwithstanding the above, Developer agrees to expend at least Three Million Two Hundred Thousand Dollars (\$3,200,000) through the MBE/WBE Program as described in this Agreement. To the extent that Developer cannot achieve this expenditure level on Project costs due to the existence of Specialty Contracts, Developer agrees to utilize the MBE/WBE Program with regard to the construction and development of the Expanded Building Project or the Interior Building Project.

- B. For purposes of this Section 5.3 only, Developer (and any party to whom a contract is let by Developer pursuant to this Agreement) shall be deemed a "Contractor" and this Agreement (and any contract let pursuant thereto) shall be deemed a "Contract" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.
- C. Consistent with Section 2-92-440, Municipal Code of Chicago, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual construction work performed by Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual construction work performed by the MBE or WBE), by Developer utilizing a MBE or a WBE as a contractor (but only to the extent of any actual construction work performed by such contractor), by subcontracting or causing a contractor to subcontract a portion of the work to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 5.3. Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code for the voluntary use of MBEs and WBEs in its activities and operations other than the Project.
- D. Developer (or its consultant) shall deliver quarterly reports to the DPD 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 Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the DPD in determining Developer's compliance with this MBE/WBE commitment. The DPD shall have access to Developer's books and records, including, without limitation, payroll records

and tax returns, and records and books of account in accordance with Section 4.7 of the Agreement on five (5) business days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation.

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

- F. Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 5.3 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

- G. Prior to the commencement of construction of the Base Building Project, Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of the DPD with regard to Developer's compliance with its obligations under this Section 5.3. During the meeting, Developer shall submit its MBE/WBE Utilization Plan, including Schedules C and D thereto, and shall demonstrate to the DPD its plan to achieve its obligations under this Section 5.3, the sufficiency of which shall be approved by the DPD. As noted in paragraph A above of this Section, Developer may meet its MBE/WBE obligations through the utilization of MBEs and WBEs during the construction of the Expanded Building Project or the Interior Building Project. During the course of the undertaking of the Project, Expanded Building Project and Interior Building Project, Developer shall submit, as part of the progress reports required under Section 3.6(a)(3), updated documentation concerning the MBE/WBE obligations described in this Section. If Developer fails to submit the initial documentation or the progress reports on a timely basis, or if DPD determines, upon analysis of the documentation, that Developer is not complying with its obligations hereunder, the DPD shall provide written notice to Developer, which shall immediately remedy such matter

within fifteen (15) days of receipt of notice. Failure to remedy such deficiency within the prescribed time frame shall be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt construction of the Project, the Expanded Building Project or the Interior Building Project; (2) withhold the payment of any of the City's Financial Contribution to Developer; or (3) seek any other remedies against Developer available at law or in equity.

5.4 Pre-Construction Meeting; Monitoring Requirements.

Prior to the commencement of construction of the Project, Developer shall be required to meet with the monitoring staff of the DPD with regard to Developer's compliance with its employment obligations described in this Section V and the construction contract compliance requirements described in Section 3.5. Developer, the General Contractor and major Subcontractors shall be required to attend such pre-construction meetings. During said meeting, Developer shall demonstrate to the DPD its plan to achieve its employment obligations, the sufficiency of which must be approved by the DPD. During the construction of the Project, the Interior Building Project and the Expanded Building Project, Developer shall submit documentation (as required in Sections 5.1-5.3 above) to the monitoring staff of the DPD. If Developer fails to submit such documentation on a timely basis or, if DPD determines upon analysis of the documentation that Developer is not complying with its employment obligations described in this Section V and the aforesaid construction contract compliance requirements described in Section 3.5, the DPD shall deliver written notice of such to Developer, which shall immediately remedy such matter within fifteen (15) days of receipt of notice. In such event, in addition to any remedies described in this Section 5.4, the City may, as allowed in Section IV, until such default is cured: (1) issue a written demand to Developer to halt construction of the Project, the Expanded Building Project or the Interior Building Project; (2) withhold the payment of any of the City's Financial Contribution to Developer; or (3) seek any other remedies against Developer available at law or in equity.

SECTION VI

PUBLIC POLICY COVENANTS AND POST-CERTIFICATE REQUIREMENTS

6.1 Developer's Public Policy Covenants. Developer shall not discriminate based upon race, color, religion, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military status, parental status or source of income in the use or occupancy of the Project or any improvements located or to be erected on the Property or any part thereof. In addition, Developer agrees that it shall comply with any and all federal, state and local laws, rules and regulations with regard to accessibility standards for the physically disabled, including, without limitation, the Fair Housing Act, 42 U.S.C. 3601 et seq. (1990), the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 et seq. (1990) and 47 U.S.C. 152, 221, 225 and 611 (1990), the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq. (1992), and the Illinois Accessibility Code, 71 Ill.Admin.Code ch. 1, subch. B, sec. 400.100 et seq. (1988). The undertakings of the Developer in this Section 7.1 are sometimes referred to herein as "Public Policy Covenants."

6.2 Public Benefits Program. Developer has entered into that Public Benefits Program with the City dated as of _____, 2001, substantially in the form attached hereto as Exhibit I, to cause the development and implementation of a public benefits program.

6.3 Real Estate Taxes and Other Governmental Charges.

(a) Governmental Charges.

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

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

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

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

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

(b) Developer's Failure To Pay or Discharge Lien. If Developer fails to pay any Governmental Charge which may create a lien against the Property or any part thereof or to obtain discharge of the same, Developer shall advise the DPD thereof in writing, at which time the DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under the Agreement, in the DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which the DPD deems advisable, only after written notice to Developer and expiration of any cure period, which in this instance is within thirty (30) days of receipt of notice. All sums so paid by the DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to the DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any such Governmental Charge, the City, in its reasonable discretion, may require Developer to submit to the City audited financial statements at the Developer's own expense.

6.4 Covenants Running with the Land. The parties agree that the restrictions contained in this Section VI are covenants running with the land and shall be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof; provided, however, that the covenants shall be released when the Plan and Redevelopment Area for the purposes of the Plan are no longer in effect. Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property from and after the date hereof shall be made explicitly subject to such covenants and restrictions.

SECTION VII
MISCELLANEOUS PROVISIONS

7.1 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City may amend, modify or supplement the Plan without the consent of any party hereto, provided that such amendment, modification, or supplement shall not have a material adverse effect on Developer, the Property or the Project.

7.2 Entire Agreement. This Agreement (including each of the Exhibits A-I attached hereto, which is hereby incorporated herein by reference) constitutes the entire agreement of the parties hereto and supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

7.3 Assignability and Transfer. Unless permitted by the provisions contained in Sections 3.____, 4.3(c) and 4.3(d) above, Developer, until the City issues the Final Certificate with regard to the completion of the Project, shall not assign, transfer or convey any right, title or interest in the Project, the Property, or both, or any of its duties or obligations under the Agreement as they relate to the Project, the Property, or both.

7.4 Conflict of Interest - City's Representatives Not Individually Liable. Pursuant to Section 5/11-74.4-4(n) of the TIF Act, Developer represents, covenants 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 Project, the Redevelopment Area or the Plan, or any consultant hired by the City or Developer owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or

controls, has owned or controlled, or will own or control any interest, direct or indirect, in any such entity's business, the Property or any other property in the Redevelopment Area. No member, official or employee of the City shall be personally liable to Developer, or any successor in interest, to perform any commitment or obligation of the City under the Agreement nor shall any such person be personally liable in the event of any default or breach by the City.

7.5 Further Assurances. Developer and the City 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 the Agreement.

7.6 Survival. All representations and warranties contained in the Agreement are made as of the execution date of the Agreement and the execution, delivery and acceptance hereof by the parties shall not constitute a waiver of rights arising by reasons of any misrepresentation.

7.7 Mutual Assistance. The parties agree to perform their respective obligations, including the execution and delivery of any documents, instruments, petitions and certifications, as may be necessary or appropriate, consistent with the terms and provisions of the Agreement.

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

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

7.10 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including reasonable attorneys' fees, incurred in connection with the City's enforcement of this Agreement.

7.11 Disclaimer. No provision of the Agreement, nor any act of the City, shall be deemed or construed by any of the parties, or by third persons, to create or imply to create the relationship of

third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City.

7.12 Notices. Any notice called for herein shall be in writing and shall be mailed postage prepaid by registered or certified mail with return receipt requested, or hand delivered and receipted, as follows:

If to the City: Commissioner
 Department of Planning
 and Development
 Attn: Deputy Commissioner
 Central District
 Room 1000, City Hall
 Chicago, Illinois 60602
 FAX: 312/744-0113

with a copy to: Corporation Counsel
 City of Chicago
 Room 600, City Hall
 Chicago, Illinois 60602
 Attn: Real Estate & Land Use Division
 FAX: 312/742-0277

If to Developer: Michigan Wacker Associates, LLC
 Attn: Jon D. Horowitz
 56 West 45th Street, 8th floor
 New York, New York 10036
 FAX: 212/944-9374

and: Neal, Gerber & Eisenberg
 Attn: David Schenk
 Two North LaSalle Street, #2200
 Chicago, Illinois 60602
 FAX: 312/269-1747

Notices are deemed to have been received by the parties three (3) days after mailing. Concurrent with such mailing, a copy of the notice shall be faxed to the above numbers. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

7.13 Headings. The headings of the various sections and Sections of the Agreement have been inserted for convenient reference only and shall not in any manner be construed as

modifying, amending or affecting in any way the express terms and provisions hereof.

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

7.15 Recordation of the Agreement. Upon execution of the Agreement by the parties, Developer, at its sole expense, shall promptly record one original of the Agreement with the Office of the Recorder of Deeds of Cook County, Illinois.

7.16 Release. Upon the expiration of the Term of the Agreement, within thirty (30) days of receipt of written request, the City shall execute and deliver to Developer a release of the Agreement in recordable form.

7.17 No Third Party Beneficiary. The approvals given by the City pursuant to the Agreement and the Partial Certificates and Final Certificate when issued by the City shall be only for the benefit of Developer, the mortgagee or other lien holder, and their successors in interest in the Property and no other person or party may assert against the City or claim the benefit of such approval or certificate.

7.18 Approval. Wherever the Agreement provides for the approval or consent of the City, the DPD or the Commissioner, or any matter is to be to the City's, the DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, the DPD or the Commissioner in writing and in the reasonable discretion thereof and not unreasonably delayed. The Commissioner or other person designated by the Mayor shall act for the City or the DPD in making all approvals, consents and determinations of satisfaction, granting the Partial Certificate(s) and the Final Certificate or otherwise administering the Agreement for the City.

7.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 of Illinois, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of the State, and the Mayor of each municipality where Developer has locations in the State of Illinois. Failure by Developer to provide such notice as described above may result in

the termination of all or a part of the reimbursement obligations of the City to Developer as set forth herein.

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

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

7.22 Successors and Assigns. The terms of the Agreement shall be binding upon the City, Developer, and their respective heirs, legal representatives, successors and assigns and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein).

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

7.24 City Dealings with Members and Manager. Notwithstanding anything to the contrary contained in this Agreement, the City, in administering and exercising its rights under this Agreement, shall be entitled to either: (a) rely on the representation, warranty, covenant, indemnification or other undertaking, and act upon the direction of any one of the managing members of either Member or the Manager as being the representation, warranty, covenant, indemnification, undertaking or direction of such Member, Manager and Developer, or (b) require that all such individuals who are then managing members of either Member or the Manager join in writing in such representation, indemnification or other undertaking or direction. The City shall have no duty to determine whether any such individual(s) are acting in an authorized manner on behalf of the such Member, Manager or Developer.

7.25 Counterparts. The 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.

IN WITNESS WHEREOF, the parties hereto have executed or caused the Agreement to be executed, all as of the date first written above.

CITY OF CHICAGO,
a municipal corporation

By: Alicia Mazur Berg
Alicia Mazur Berg
Commissioner of Planning
and Development

MICHIGAN WACKER ASSOCIATES, LLC,
a Delaware limited liability company

BY: FINANCIAL DISTRICT ASSOCIATES, L.P.,
a New York limited partnership and
a member

BY: WALL STREET AND MIDTOWN ASSOCIATES, L.P.,
a New York limited partnership,
its general partner

BY: MASTERWORKS DEVELOPMENT CORPORATION,
a New York corporation,
its general partner

BY: Jon B. Horowitz
Jon B. Horowitz
Vice President

BY: DEVONSHIRE ARCH ASSOCIATES, L.P.,
a Massachusetts limited partnership and
a member

BY: COMPTON BUILDING ASSOCIATES, L.P.,
a New York limited partnership,
its general partner

BY: MASTERWORKS BOSTON L.L.C.,
a Massachusetts limited liability company
its general partner

BY: 
Ralph M. Bahna
Member

BY: 
Allen L. Stevens
Member

STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, Antonette Bielech, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Alicia Mazur Berg, personally known to me to be the Commissioner of Planning and Development of the City of Chicago, a municipal corporation, 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 being first duly sworn by me acknowledged that as such Commissioner of Planning and Development, she signed and delivered the said instrument, pursuant to authority given by the City of Chicago, as her free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 12 day of June, 2001.

Antonette Bielech
Notary Public
(SEAL)

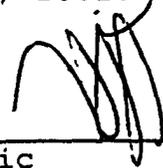


My Commission expires _____.

STATE OF ~~ILLINOIS~~ ^{New York}
COUNTY OF ~~COOK~~ ^{New York}) SS

I, HERMAN MAX LEIBOWITZ, a Notary Public in and for said County, do hereby certify that Jon D. Horowitz, a Vice President of Masterworks Development Corporation, a New York corporation, which is the General Partner of Wall Street and Midtown Associates, L.P., a New York limited partnership, which is the General Partner of Financial District Associates, L.P., a New York limited partnership, which is a member of Michigan Wacker Associates, LLC, a Delaware limited liability company, 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 being first duly sworn by me acknowledged that as such Vice President, he signed and delivered the said instrument, pursuant to authority given by Michigan Wacker Associates, LLC, as his free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 25 day of MAY, 2001.



Notary Public

HERMAN MAX LEIBOWITZ
Notary Public, State of New York
No. 31-4639681
Qualified in New York County
Commission Expires February 28, 2003

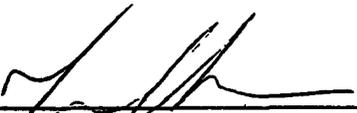
(SEAL)

My Commission expires 2-28-03

STATE OF ~~ILLINOIS~~)
^{new york}) SS
COUNTY OF ~~COOK~~)
^{new york})

I, J. D. Horowitz, a Notary Public in and for said County, do hereby certify that Ralph M. Bahna, a Member of Masterworks Boston L.L.C., a Massachusetts limited liability company, which is the General Partner of Compton Building Associates, L.P., a New York limited partnership, which is the General Partner of Devonshire Arch Associates, L.P., a Massachusetts limited partnership, which is a member of Michigan Wacker Associates, LLC, a Delaware limited liability company, 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 being first duly sworn by me acknowledged that as such Member, he signed and delivered the said instrument, pursuant to authority given by Michigan Wacker Associates, LLC, as his free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 24th day of MAY, 2001.



Notary Public

(SEAL)

JONATHAN D. HOROWITZ
Notary Public, State of New York
No. 31-5007805
Qualified in New York County
Commission Expires Feb. 8, 2003

My Commission expires 2/8/03

STATE OF ILLINOIS) ^{New York}
) SS
COUNTY OF COOK) _{New York}

I, Jonathan D. Horowitz, a Notary Public in and for said County, do hereby certify that Allen L. Stevens, a Member of Masterworks Boston L.L.C., a Massachusetts limited liability company, which is the General Partner of Compton Building Associates, L.P., a New York limited partnership, which is the General Partner of Devonshire Arch Associates, L.P., a Massachusetts limited partnership, which is a member of Michigan Wacker Associates, LLC, a Delaware limited liability company, 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 being first duly sworn by me acknowledged that as such Member, he signed and delivered the said instrument, pursuant to authority given by Michigan Wacker Associates, LLC, as his free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 24th day of May, 2001.



Notary Public

(SEAL)

JONATHAN D. HOROWITZ
Notary Public, State of New York
No. 31-5007805
Qualified in New York County
Commission Expires Feb. 8, 2003

My Commission expires 2/8/03

LIST OF EXHIBITS

- A Legal Description of the Property
- B Description of Project
- C Scope Drawings
- D Preliminary Budget
- E Inspector's Certificate
- F Schedule
- G List of BB-Funded Costs; TIF-Funded Improvements
- H Opinion of Counsel
- I Public Benefits Agreement

EXHIBIT D
75 E. WACKER REDEVELOPMENT
Preliminary Budget
Required by the Redevelopment Agreement

Expanded Project

<u>Activity</u>	<u>Cost</u>
- exterior stabilization work	\$1,500,000
- exterior rehabilitation work ¹	\$4,500,000
- Elevator work	\$ 950,000
- HVAC work (offices common areas)	\$ 250,000
- Electrical work	\$ 100,000
- Fire alarm system upgrade	\$ 250,000
- Sprinkler system	\$ 400,000
- Plumbing system (modifications)	\$ 100,000
- Steel / structural revisions	\$ 300,000
- General conditions	\$ 700,000
- management	\$ 150,000
Sub-Total:	\$9,200,00

TIF Funded Project

<u>Activity:</u>	<u>Cost:</u>
- New Cupola Structure: panels and steel frame	\$ 500,000
- Engineering	\$ 75,000
- Scaffold Hoisting	\$ 100,000
- Erection Allowance	\$ 250,000
- Structural modifications to existing building	\$ 150,000
- Lighting Consultant	\$ 25,000
- General Conditions and Fees	\$ 125,000
- Contingency	\$ 100,000
Sub-Total:	\$1,500,000

Combined Project

Project MBE / WBE Budget:	Total:	\$10,700,000
- Project MBE Dollar Value:		\$ 2,670,000
- Project WBE Dollar Value:		\$ 530,000

¹ If the developer does not undertake the Expanded Project and instead only does the Base Building Project, the exterior rehabilitation and stabilization work will be \$ 1,100,000 total, and thus, the Project Budget will be \$4,300,000, but the developer's M/WBE Dollar Values will remain the same.

presented to the Permit Review Committee of the Commission on Chicago Landmarks in the 12-05-00 Koenen Assoc. building elevation. The replacement structure may be constructed using pre-cast concrete, GFRC or metal. The following areas of the building shall be lit in accordance with the principles outlined in the Loop Lighting Plan: the entrance, the cupola, and the arches below the cupola. The lighting plan shall be given to DPD for it's prior review and approval

- **Landscaping/Streetscaping.** Any existing landscaping or streetscaping components on Wacker Drive which are moved or removed due to any work performed in conjunction with this project site shall be replaced in kind. Specifications for replacement are available from DPD upon written request.

EXHIBIT E

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief, the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the Amount Certified. This Certificate is not negotiable. The Amount Certified is payable only to the Contractor named herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

AMOUNT CERTIFIED

\$

ARCHITECT:

By:

Date:

EXHIBIT F

Preliminary construction schedule for 75 East Wacker Drive, Chicago

	Commence	Complete
Demolition	April 1, 2001	June 1, 2001-03-21
Layout, coredrill,	May 15, 2001	August 1, 2001-03-21
Mechanical rough in	June 15, 2001-	September 15, 2001-03-21
Modifications to office space	June 1, 2001	December 31, 2001
Elevators	July 1, 2001	April 1, 2002
Structural Steel	May 1, 2001	September 15, 2001
Framing	August 1, 2001	November 15, 2001
Rough in walls	August 15, 2001	January 15, 2002
Drywall	October 1, 2001	February 1, 2002
Ceramic tile	October 15, 2001	February 15, 2002
Mechanical trim	November 1, 2001	March 1, 2002
Painting wallcovering	November 1, 2001-	March 1, 2002
Furniture and finishes	January 15, 2002	April 1, 2002
Exterior wall repairs	August 1, 2000	November 30, 2002
Cupola	June 1, 2001	November 30, 2002

EXHIBIT G

75 E. WACKER REDEVELOPMENT List of BB-Funded Costs; TIF-Eligible Improvements Required by the Redevelopment Agreement

<u>TIF Eligible Improvements</u>	<u>Cost</u>
- New Cupola Structure: panels and steel frame	\$ 500,000
- Engineering	\$ 75,000
- Scaffold Hoisting	\$ 100,000
- Erection Allowance	\$ 250,000
- Structural modifications to existing building	\$ 150,000
- Lighting Consultant	\$ 25,000
- exterior stabilization work	\$1,500,000
- exterior rehabilitation work	\$4,500,000
- Elevator work	\$ 950,000
- HVAC work (offices common areas)	\$ 250,000
- Electrical work	\$ 100,000
- Fire alarm system upgrade	\$ 250,000
- Sprinkler system	\$ 400,000
- Plumbing system (modifications)	\$ 100,000
- Steel / structural revisions	\$ 300,000
Base Building Funded Costs:	
- Exterior stabilization and repairs work	\$1,100,000
- Exterior rehabilitation	\$1,100,000
- Demolition	\$ 1,000,000
- Replace Fire stairs – office floors	\$ 500,000
- Replace bathrooms – office floors	\$ 300,000

EXHIBIT H

OPINION OF COUNSEL

[To be retyped on Developer's Counsel's letterhead]

_____, 2001

City of Chicago
City Hall
121 North LaSalle Street
Room 600
Chicago, Illinois 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Michigan Wacker Associates, LLC, a Delaware limited liability company ("Company"), in connection with the redevelopment of that certain property ("Property") from the City of Chicago ("City") which is located at 75 East Wacker Drive, Chicago, in the Central Loop Tax Increment Redevelopment Project Area. The Property is presently improved with a forty (40) story building ("Building") commonly known as the Mather Tower, which Building has been designated as a City landmark. Pursuant to the terms of that certain redevelopment agreement executed by the City and the Company, the Company shall renovate and rehabilitate the Building by undertaking the Base Building Project, the TIF-Funded Project, the Expanded Building Project and the Interior Building Project (all as more fully described in the Redevelopment Agreement). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) Mather Tower, Central Loop TIF Project Redevelopment Agreement ("Redevelopment Agreement") executed by the Company and the City as of _____, 2001;
- (b) Public Benefits Agreement executed by the City and the Company as of _____, 2001; and
- (c) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined:

(1) the original or certified copies of: (i) the limited liability company agreement for the Company ("LLC Agreement"); (ii) the limited partnership agreement for Financial District Associates, L.P.; (iii) the limited partnership agreement for Devonshire Arch Associates, L.P.; (iv) the articles of incorporation and by-laws for Adams/Wacker Operating Company, Inc., an Illinois corporation; (v) the certificate of good standing or existence from the State of Delaware for the Company; (vi) the certificate of limited partnership from the State of New York regarding Financial District Associates, L.P.; (vii) the certificate of limited partnership from the State of Massachusetts regarding Devonshire Arch Associates, L.P.; (viii) the certificate of good standing from the State of Illinois regarding Adams/Wacker Operating Company, Inc.; and (ix) records of all proceedings relating to the renovation of the Building; and

(2) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those on behalf of the Company), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Delaware, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business under the laws of every state, including the State of Illinois, in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. The Company has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the LLC Agreement or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after

diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Company is a party or by which the Company or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Company is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of the Lender, if any.

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Company.

4. Each of the Documents to which the Company is a party has been duly executed and delivered by a duly authorized officer of the Company, and each such Document constitutes the legal, valid and binding obligation of the Company, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

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

6. To the best of our knowledge after diligent inquiry, there is no default by the Company or any other party under any material contract, lease, agreement, instrument or commitment to which the Company is a party or by which the company or its properties is bound.

7. To the best of our knowledge after diligent inquiry, all of the assets of the Company are free and clear of mortgages, liens, pledges, security interests and encumbrances except for

those specifically set forth in the Documents.

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

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

10. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

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

Yours very truly,

NOW, THEREFORE, in consideration of the foregoing preambles, each of which is made a contractual part hereof, and of the mutual covenants and agreements contained herein and in the Redevelopment Agreement, the parties agree as follows:

1. Public Benefits Program. Developer shall provide, as public benefits to the public and the City, services, programs and benefits set forth in Schedule 1 attached hereto and incorporated herein by this reference ("Public Benefits Program"). Developer's commitment and agreement to provide the Public Benefits Program shall last for the Term of the Agreement, being the period from the date hereof through and including March 1, 2007.

2. Reporting. During the Term of the Agreement on a semi-annual basis, Developer shall submit a general activity report for the Public Benefits Program covering the preceding reporting period and, to the extent feasible and foreseeable, projecting activities anticipated to occur for the upcoming reporting period with respect to the Public Benefits Program. The content of such reports (and receipt thereof by the City) shall be coordinated with staff from the Mayor's Office of Workforce Development ("MOWD").

3. Default. Failure of Developer to comply with the terms and conditions of this Agreement, which failure continues uncured for a period of sixty (60) days after written notice of default from the City, shall be a default hereunder and shall be considered an Event of Default under the Redevelopment Agreement.

4. Notice. Any notice or submission required or desired to be given pursuant to or in connection with this Agreement shall be in writing and shall be mailed postage prepaid by registered or certified mail with return receipt requested, or hand delivered and receipted, as follows:

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

With a copy to: Mayor's Office of Workforce
Development
510 North Peshtigo Court
Chicago, Illinois 60611
Attn: Director

If, to Developer: Michigan Wacker Associates, L.L.C.
c/o Masterworks Development Corp.
56 West 45th Street, 8th floor
New York, New York 10036
Attn: Jon D. Horowitz

Notices and submissions are deemed to have been received by the parties three (3) days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, submissions or other communications shall be sent.

5. Headings. The headings of the various Paragraphs of this Agreement have been inserted for convenient reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions hereof.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

7. Entire Agreement. This Agreement shall constitute the entire agreement of the parties regarding the subject matter hereof. This Agreement may not be modified or amended in any manner other than by written agreement executed by the parties.

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

9. Waiver and Estoppel. Any delay by the City in instituting or prosecuting any actions or proceedings or otherwise asserting its rights and remedies shall not operate as a waiver of such rights or remedies or operate to deprive the City of or limit such rights in any way. No waiver by the City with respect to any specific default by Developer shall be construed, considered or treated as a waiver of the rights of the City with respect to any other defaults of Developer.

10. Cumulative Remedies. The City may exercise all remedies provided by law or in equity in the event of a default hereunder. All remedies shall be cumulative and the exercise of any one or more remedies shall not be construed as a waiver of any other remedies.

11. Disclaimer. No provision of this Agreement, nor any act of the City, shall be deemed or construed by Developer, or by any third persons, to create any relationship of third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City.

12. Binding Effect. This Agreement shall be binding on the parties hereto, their successors and assigns.

13. Term. The term hereof shall be for the Term of the Agreement. However, the term may be amended and extended by written agreement of the parties.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed, all as of the date first written above.

MICHIGAN WACKER ASSOCIATES, LLC,
an Illinois limited liability
company

By: FINANCIAL DISTRICT ASSOCIATES, L.P.,
a New York limited partnership and
the sole member

By: WALL STREET AND MIDTOWN ASSOCIATES,
a New York limited partnership,
its general partners

By: _____
Jon D. Horowitz
Vice President

CITY OF CHICAGO,
a municipal corporation

By: _____
Alicia Mazur Berg
Commissioner of Planning and Development

SCHEDULE 1

75 E. WACKER REDEVELOPMENT Public Benefits Agreement Required by the Redevelopment Agreement

The following is an exhibit to the public benefits agreement required as a part of the Redevelopment Agreement between the City of Chicago Department of Planning and Development ("DPD") and Michigan-Wacker Associates, L.L.C. ("Developer"), executed on _____ and pertaining to the redevelopment of the building located at 75 E. Wacker in the City of Chicago ("project"). The development of this project is being facilitated with public money and, accordingly, the Developer is obligated to incorporate benefits to the public into his project.

- **Employment.** The City of Chicago, through the Mayor's Office of Workforce Development ("MOWD"), runs a number of job training and recruiting programs for residents of the City of Chicago, including the Jobs For Youth Program ("JFYP"). The Developer agrees to provide information to MOWD and its contractors concerning its staffing needs and the skills needed for employees so that MOWD supply candidates for consideration. Developer agrees to provide the City, through MOWD, with notice of job opportunities as they become available. The Developer further agrees to interview employment candidates provided by these programs for its Club Quarters Hotel located in the 75 E. Wacker. The developer agrees to provide employment to qualified candidates supplied by MOWD.

**FAX TRANSMITTAL FORM
 CITY OF CHICAGO
 DEPARTMENT OF PLANNING AND DEVELOPMENT
 20 N. CLARK SUITE 2800
 CHICAGO, ILLINOIS 60602**

**PHONE NUMBER (312) 744-6300
 FAX NUMBER (312) 744-7676**

DATE: 9-17-03 7 # PAGES (INCL. COVER)

TO: TOM DRIEZIC

FAX #: 2-0955 PHONE #: _____

FROM: PAT ROBERTS

PHONE #: _____

MESSAGE:

MICHIGAN WACKER ORDINANCE
→ SEE SECTION 3
→ SIGNATURE PAGES

IF THIS FAX IS NOT RECEIVED IN ITS ENTIRETY, PLEASE CONTACT US AS SOON AS POSSIBLE.

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago ("City") on June 20, 1984 (Journal of the Proceedings of the City Council, pages 7573 -- 7714), a certain redevelopment plan and project ("Plan") for the North Loop Tax Increment Redevelopment Project Area ("Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (1993) ("Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 20, 1984 (Journal of the Proceedings of the City Council, pages 7573 -- 7714), the Area was designated as a redevelopment project area pursuant to the Act; and

3/28/2001

REPORTS OF COMMITTEES

55145

WHEREAS, Pursuant to an ordinance ("T.I.F. Ordinance") adopted by the City Council on June 20, 1984 (Journal of the Proceedings of the City Council, pages 7715 -- 7717), tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, The Plan was amended and supplemented by, and incorporated into, that certain Central Loop Tax Increment Redevelopment Project and Plan ("Central Loop T.I.F. Plan") on February 7, 1997 (Journal of the Proceedings of the City Council, pages 38260 -- 38400); and

WHEREAS, The Area was incorporated into that certain Central Loop Tax Increment Redevelopment Area ("Central Loop Redevelopment Area") on February 7, 1997 (Journal of the Proceedings of the City Council, pages 38400 -- 38412); and

WHEREAS, Michigan Wacker Associates, a Delaware limited liability company ("Company"), has acquired that certain property located at 75 East Wacker Drive, Chicago Illinois ("Property") located within the Area, which Property is legally described on (Sub)Exhibit A attached hereto; and

WHEREAS, The Property is presently improved with that certain forty (40) story building ("Building") commonly referred to as the "Mather Tower", which Building has been designated as a Chicago landmark pursuant to that certain ordinance passed by the City Council at its March 7, 2001 meeting; and

WHEREAS, In accordance with the terms and conditions of this ordinance, the Company shall undertake certain preliminary construction and renovation activities relating to the Building, including, without limitation, exterior rehabilitation work, which renovation is described herein as the "Base Building Project"; and

WHEREAS, In accordance with the terms and conditions of this ordinance, the City Council shall authorize the granting to the Company of certain funds derived from the City's North Loop Preservation Fund in an amount not to exceed the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) to be utilized to pay for or reimburse the Company for certain costs involved in the Base Building Project, which for purposes of this ordinance are referred to as the "B.B.-Funded Costs"; and

WHEREAS, In addition to the Base Building Project, Developer shall undertake to re-construct the cupola of the Building and to provide for the addition of architectural lighting at the top of the Building, which shall be collectively referred to as the "T.I.F.-Funded Project"; and

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WHEREAS, In accordance with the terms and conditions of this Ordinance, the City Council shall authorize the granting to the Company of certain funds in an amount not to exceed the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) ("City's T.I.F. Funds") to be utilized to pay for or reimburse the Company for certain costs involved in the T.I.F.-Funded Project ("T.I.F.-Funded Improvements"), which funds shall be derived from a portion of the proceeds of the City of Chicago Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 1997, Ninety-one Million Dollar (\$91,000,000) 1997B Bonds, or Series 2000, Two Hundred Fifty Million Dollar (\$250,000,000) 2000 Bonds, pursuant to an ordinance adopted by the City Council on June 30, 1997 and May 17, 2000, respectively; and

WHEREAS, For purposes of this ordinance, the Base Building Project and the T.I.F.-Funded Project shall collectively be referred to as the "Project"; and

WHEREAS, In addition to the Project, Developer shall undertake: (1) additional renovation work to the facade of the Building beyond the Base Building Project, including, without limitation, the repair and replacement of a portion of the terra cotta of the Building, which for purposes of this ordinance shall be referred to as the "Expanded Building Project"; and (2) to renovate floors one (1) to nine (9) of the Building for office uses, and if possible, convert floors ten (10) to forty (40) for use as a corporate hotel (or in the alternative, renovate for office uses), and develop commercial space on the first (1st) floor of the Building (collectively, the "Interior Building Project"), which shall be funded entirely by the Company utilizing equity and private lender financing; and

WHEREAS, Pursuant to Resolution 01-CDC-03 adopted by the Community Development Commission of the City of Chicago ("Commission") on January 23, 2001, the Commission authorized the City's Department of Planning and Development ("D.P.D.") to publish notice pursuant to Section 5/11-74.4(c) of the Act of its intention to negotiate a redevelopment agreement with the Company for the Project and to request alternative proposals for redevelopment of the Area or a portion thereof; and

WHEREAS, D.P.D. published the notice, requested alternative proposals for the redevelopment of the Area or a portion thereof and provided reasonable opportunity for other persons to submit alternative bids or proposals; and

WHEREAS, Since no other responsive proposals were received by D.P.D. for the redevelopment of the Area or a portion thereof within fourteen (14) days after such publication, pursuant to Resolution 01-CDC-03, the Commission has recommended

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that the Company be designated as the developer for the Project and that D.P.D. be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

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

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

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

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

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

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

Exhibits "A" and "B" referred to in this ordinance read as follows:

IN WITNESS WHEREOF, the parties hereto have executed or caused the Agreement to be executed, all as of the date first written above.

CITY OF CHICAGO,
a municipal corporation

By: Alicia Mazur Berg
Alicia Mazur Berg
Commissioner of Planning
and Development

MICHIGAN WACKER ASSOCIATES, LLC,
a Delaware limited liability company

BY: FINANCIAL DISTRICT ASSOCIATES, L.P.,
a New York limited partnership and
a member

BY: WALL STREET AND MIDTOWN ASSOCIATES, L.P.,
a New York limited partnership,
its general partner

BY: MASTERWORKS DEVELOPMENT CORPORATION,
a New York corporation,
its general partner

BY: Jon B. Horowitz
Jon B. Horowitz
Vice President

BY: DEVONSHIRE ARCH ASSOCIATES, L.P.,
a Massachusetts limited partnership and
a member

BY: COMPTON BUILDING ASSOCIATES, L.P.,
a New York limited partnership,
its general partner

BY: MASTERWORKS BOSTON L.L.C.,
a Massachusetts limited liability company
its general partner

BY: 
Ralph M. Bahna
Member

BY: 
Allen L. Stevens
Member