

Contract Summary Sheet

Contract (PO) Number: 2870

Specification Number: 14786

Name of Contractor: REPUBLIC WINDOWS & DOORS, INC.

City Department: PLANNING & DEVELOPMENT

Title of Contract: Redevelopment Agreement regarding the company's acquisition of peroperty within the Goose Island TIF, the construction of a window fabrication and office facility and construction of certain public improvements.

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

\$9,132,000.00

Brief Description of Work: Redevelopment Agreement regarding the company's acquisition of peroperty within the Goose Island TIF, the construction of a window fabrication and office facility and construction of certain public improvements.

Procurement Services Contact Person: BARBARA SUTTON

Vendor Number: 1068032

Submission Date:

OCT 0 8 2003

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

**FIRST AMENDMENT TO
REPUBLIC WINDOWS & DOORS, INC. REDEVELOPMENT AGREEMENT**

This First Amendment to Republic Windows & Doors, Inc. Redevelopment Agreement (the "First Amendment") is made as of this 15th day of November, 2000, by and between the City of Chicago, an Illinois municipal corporation (the "City") through its Department of Planning and Development ("DPD"), and Republic Windows & Doors, Inc., an Illinois corporation (the "Developer").

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions or conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. Prior City Agreement: To induce redevelopment pursuant to the Act, the City and the Developer entered into a Redevelopment Agreement dated as of April 23, 1999, which was recorded with the Recorder of Deeds of Cook County on May 13, 1999 as document number 99464493 (the "Original Agreement"). Pursuant to the Original

Agreement, the City agreed to issue the City of Chicago Tax Increment Allocation Revenue Note (Goose Island Redevelopment Project), Series A in the principal amount of \$6,416,003.02 to the Developer in order to assist the Developer in its completion of the Project (the "Original City Note"). Capitalized terms which are not defined herein shall have the meanings set forth in the Original Agreement.

D. The Project; Public Infrastructure: The Developer has completed the Project. The total cost of the Project was initially anticipated to be \$20,156,402, but the actual total cost of the Project was \$36,987,715. The cost increased because, among other things, the Developer constructed a larger manufacturing facility than originally planned. Pursuant to the Original Agreement, the City agreed to reimburse the Developer for up to \$6,525,000 of the cost of TIF-Funded Improvements incurred by the Developer in connection with the Project. Of the \$6,525,000 of TIF-Funded Improvements, up to \$1,500,000 were for Public Infrastructure. The actual costs of the Public Infrastructure to the Developer were \$3,070,000.

E. Prior TIF Bond Financing: On March 9, 2000, the City issued the Goose Island TIF Bonds (as hereinafter defined) in an aggregate principal amount of \$16,800,000, pursuant to the terms of the Bond Indenture (as hereinafter defined). The Goose Island TIF Bonds are secured by a first lien on (a) Pledged Revenues (as hereinafter defined); (b) all moneys and securities and earnings thereon in certain funds, accounts and sub-accounts established pursuant to the Bond Indenture; and (c) any and all other moneys, securities and property furnished from time to time to the Bond Trustee (as hereinafter defined) by the City or on behalf of the City or by any other persons to be held by the Bond Trustee under the terms of the Bond Indenture (collectively, the "Pledged Security"). In addition, the City has reserved and excluded from the Pledged Security approximately \$250,000 which was on deposit in the Goose Island TIF Fund (as hereinafter defined) on the date on which the Goose Island TIF Bonds were issued (the "Excluded Security"). The Excluded Security has been designated for certain Redevelopment Project Costs. Under the terms of the Bond Indenture, payment of principal of, premium, if any, and interest on, the Goose Island TIF Bonds will be made solely from Pledged Security after payment of (i) Program Expenses (as defined in the Bond Indenture) and (ii) any monies necessary to preserve the tax-exempt interest on applicable Goose Island TIF Bonds in accordance with requirements of Section 148 of the Code (as hereinafter defined). The Developer acknowledges the issuance of the first series of Goose Island TIF Bonds on March 9, 2000, and that the Developer has no claim on any Excluded Security or Pledged Security

except for monies which are deposited into the General Account (as hereinafter defined) of the Goose Island TIF Fund and which have not been designated for any other purpose under Section 502(d) of the Bond Indenture, and further subject to the conditions, limitations, requirements, terms and conditions of this Agreement. The Developer further acknowledges that pursuant to the Bond Indenture, the City, from time to time in the future, may issue Additional Bonds, Refunding Bonds or Junior Lien Obligations (as those terms are defined in the Bond Indenture, and collectively referred to herein as the "Senior Lien Obligations") and if and when issued, payment of principal of, premium, if any, and interest on the Senior Lien Obligations would have a prior lien on the Pledged Security over any obligation created under this Agreement. The City agrees that it shall not issue any Senior Lien Obligations unless, in connection therewith, the New City Note (as hereinafter defined) is paid in full.

F. Repayment of Original City Note: A portion of the proceeds of the Goose Island TIF Bonds, in the amount of \$6,814,095.02, was used to pay all outstanding principal and interest on the Original City Note, which was canceled on March 9, 2000.

G. Additional City Assistance: Subject to the terms and conditions of this First Amendment and the Original Agreement, the City agrees to provide additional assistance to the Developer in connection with the Project by (i) providing up to \$599,299.02 of the proceeds of the Goose Island TIF Bonds (the "Bond Proceeds") to the Developer, (ii) issuing the City of Chicago Tax Increment Allocation Revenue Note (Goose Island Redevelopment Project), Taxable Series 2000 in the maximum principal amount of \$1,108,888.98 (the "New City Note") to the Developer and (iii) providing other funds to the Developer on a pay-as-you-go basis in an amount not to exceed \$1,391,110.69, with all such assistance being given to reimburse the Developer for the costs of additional TIF-Funded Improvements. A form of the New City Note is attached hereto as Exhibit A.

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

SECTION 1. AGREEMENTS

1.01 Definitions; Recitals.

(a) Revised Definitions. References in this First Amendment and in the Original Agreement to the Agreement shall be deemed to refer to the Original Agreement, as amended by this First Amendment and from time to time. The definition of "Term of the Agreement" in the Original Agreement shall be replaced with the following: "Term of the Agreement" shall mean the period of time commencing on the date of the Closing Date and ending on July 10, 2019, the date on which the Redevelopment Area is no longer in effect, or December 31, 2020 if the City through appropriate action elects to extend the Redevelopment Area pursuant to Section 5/11 74.4-5 of the Act. The definition of "TIF-Funded Improvements" in the Original Agreement shall be amended by replacing clause (iii) with the following: (iii) the City has agreed to pay or reimburse the Developer through the New City Note, subject to the terms of this Agreement. The definition of "City Funds" in the Original Agreement shall be replaced with the following: "City Funds" shall mean the funds provided to the Developer pursuant to the Agreement, including payments of principal and interest on the New City Note or the City Note, the payment of Bond Proceeds or the Additional Interest Reimbursement.

(b) Recitals. The foregoing recitals are hereby incorporated herein by reference.

(c) New Definitions. The following definitions are being added to Section 2 of the Original Agreement:

"Additional Bonds" shall mean Additional Bonds as defined in the Bond Indenture.

"Additional Interest Reimbursement" shall have the meaning set forth in Section 1.02(d) hereafter.

"Annual Excluded Amounts" shall have the meaning set forth in Section 1.03(a) hereof.

"Applicable Percentage" shall have the meaning set forth in Section 1.03(b) hereof.

"Available Excess Incremental Taxes" shall have the meaning set forth in Section 1.03(b) hereof.

"Bond Indenture" shall mean that certain Trust Indenture dated as of March 1, 2000, from the City to the Bond Trustee, pursuant to which the City has issued the Goose Island TIF Bonds and is authorized to issue the Senior Lien Obligations, and may include any supplemental indenture entered into between the City and the

Bond Trustee in connection with the issuance of any Senior Lien obligations.

"Bond Trustee" shall mean Cole Taylor Bank, as trustee under the Bond Indenture, and any successor in interest appointed in accordance with the Bond Indenture.

"City Fee" shall mean the fee described in Section 1.03(a) hereof.

"City Public Improvements" shall have the meaning set forth in Section 1.03(a) hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

"Excess Incremental Taxes" shall mean Incremental Taxes which are received and deposited into the General Account of the Goose Island TIF Fund on an annual basis during the calendar year and which are available for the financing or payment of Redevelopment Project Costs under Section 502(d) of the Bond Indenture.

"Excluded Security" shall mean approximately \$250,000 which was on deposit in the Goose Island TIF Fund on the date on which the Goose Island TIF Bonds were issued.

"General Account" shall mean General Account as defined in the Bond Indenture.

"Goose Island TIF Bonds" shall mean the \$16,800,000 aggregate principal amount of Tax Increment Allocation Bonds (Goose Island Redevelopment Project) issued by the City pursuant to the Bond Indenture.

"Goose Island TIF Fund" shall mean the special tax allocation fund created by the City pursuant to the TIF Adoption Ordinance in connection with the Redevelopment Area into which the Incremental Taxes will be deposited for the payment of Redevelopment Project costs and obligations incurred in the payment thereof.

"Incremental Taxes" shall mean the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Redevelopment Area by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Area

over and above the certified initial equalized assessed value of each such piece of property.

"Junior Lien Obligations" shall mean Junior Lien Obligations as defined in the Bond Indenture.

"Net Excess Incremental Taxes" shall have the meaning set forth in Section 1.03(a) hereof.

"Outstanding Amount" shall have the meaning set forth in Section 1.03(e) hereof.

"Pledged Revenues" shall mean Incremental Taxes collected in 1999 and thereafter and any other revenues from any source whatsoever designated to pay principal of, premium, if any, or interest on the Senior Lien Obligations, including, without limitation, amounts on deposit in and pledged to various-funds and accounts (other than the Program Expenses Account, the Rebate Account and the Excluded Security) as provided in the Bond Indenture, together with interest earnings thereon.

"Pledged Security" shall have the meaning set forth in Recital E of this Agreement.

"Program Expenses" shall mean Program Expenses as defined in the Bond Indenture.

"Program Expenses Account" shall mean the Program Expenses account as created pursuant to and as defined in the Bond Indenture.

"Rebate Account" shall mean the Rebate Account as created pursuant to and as defined in the Bond Indenture.

"Refunding Bonds" shall mean Refunding Bonds as defined in the Bond Indenture.

"Senior Lien Obligations" shall have the meaning set forth in Recital E of this Agreement.

1.02 TIF-Funded Improvements; City Assistance. (a) TIF Funded Improvements. Exhibit B sets forth, by line item, the additional TIF Funded Improvements for the Project, and the maximum amount of costs that may be paid from City Funds for each line item therein pursuant to this First Amendment, contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project

Cost. City Funds may be used by the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs.

(b) Bonds Proceeds. On the date of this First Amendment, the City will provide the Bond Proceeds in the amount of \$599,299.02 to the Developer to reimburse the Developer for a portion of the costs set forth on Exhibit B.

(c) New City Note. On the date hereof, the City will issue the New City Note to the Developer to reimburse the Developer for a portion of the costs set forth on Exhibit B. Payments under the New City Note are subject to the availability of and shall be payable solely from Available Excess Incremental Taxes.

(d) Additional Interest Reimbursement. Subject to the terms and conditions of this First Amendment and the Original Agreement, the City will reimburse the Developer for certain of its interest costs incurred with respect to the Project which are identified on Exhibit B hereto, up to a maximum amount of \$1,391,110.69 (the "Additional Interest Reimbursement"). The payment of funds to the Developer for such interest costs is subject to the limitations of the Act. The payment of the Additional Interest Reimbursement will be made prior to the payment of principal and interest on the New City Note. Such payments will be made annually, on February 1. The payment of funds for such costs is subject to the City's verification that such costs have been incurred by the Developer. As of the date of this First Amendment, the Developer has submitted evidence acceptable to the City that the Developer has incurred \$1,099,366.80 of interest costs in connection with the Project, and additional interest costs will be recognized by the City as evidence is submitted by the Developer from time to time under the terms hereof.

1.03 Payment of New City Note and Other Notes. (a) Net Excess Incremental Taxes. Annual payments of principal and interest on the New City Note, the note previously issued by DPD to Riverworks, L.L.C. on September 6, 2000, in the maximum principal amount of \$1,100,000 (the "Riverworks Note"), and the note to be issued to Blackhawk, LLC (or some other developer) in the future in the maximum principal amount of up to \$14,000,000 (the "Blackhawk Note") shall be made solely from Net Excess Incremental Taxes. Net Excess Incremental Taxes shall be calculated annually as follows:

On an annual basis, the City will determine the amount of Excess Incremental taxes in the General Account. The City will then subtract from the Excess Incremental Taxes in the following amounts: (1) the annual payment related to the City's obligation to reimburse the City up to an

aggregate amount of \$2,000,000 for the costs of certain public improvements within the Redevelopment Area which were paid for with City funds from sources other than Incremental Taxes with the understanding that the City would be reimbursed from Excess Incremental Taxes (the "City Public Improvements")¹ and (2) the reservation of up to \$25,000 annually to be used by the City for payment of administrative costs of the City in connection with the Redevelopment Area (the "City Fee") (collectively, with the City Public Improvements, the "Annual Excluded Amounts"). The amount of Excess Incremental Taxes in the General Account after subtracting the Annual Excluded Amounts shall be referred to as the "Net Excess Incremental Taxes".

(b) Available Excess Incremental Taxes; Applicable Percentage. The annual payment on the New City Note shall be the product of the Applicable Percentage (as hereinafter defined) and the Net Excess Incremental Taxes (the "Available Excess Incremental Taxes"). The Applicable Percentage shall be determined by the City as follows:

The numerator of the Applicable Percentage is equal to the sum of the maximum principal amount of the New City Note and the maximum amount of the Additional Interest Reimbursement. The denominator of the Applicable Percentage is the sum of the Additional Interest Reimbursement and the maximum aggregate principal amount of all notes that the City has issued (or expects to or may issue, with respect to the Riverworks Note and the Blackhawk Note) for projects in the Redevelopment Area (as set forth above).

The initial Applicable Percentage shall be 2.5/3.6; the City may, in its sole discretion, adjust the Applicable Percentage at the time that the Blackhawk Note (or other obligation of the City with a maximum principal amount of up to \$14,000,000) is issued, so that

¹Subject to the right of the City to elect to defer any payment, the reimbursement will be made pursuant to the following schedule, and any deficiency in payment caused by the City's election to defer or a lack of sufficient Excess Incremental taxes will be paid in subsequent years as Excess Incremental Taxes are available (or as the City may otherwise determine): Year 2002- \$300,000; Year 2003- \$350,000; Year 2004- \$400,000; Year 2005- \$450,000; and Year 2006- \$500,000. The City may elect to defer all or any portion of such payments without being deemed to have waived the right to such payment.

the Applicable Percentage hereunder shall be adjusted to 2.5/17.6, or with such other denominator as necessary to reflect that an obligation is issued with a principal amount of less than \$14,000,000.

(c) Payment of Available Excess Incremental Taxes. The City agrees to use the Available Excess Incremental Taxes deposited into the General Account on an annual basis to make payments of principal and interest on the New City Note (subject to Section 1.02 (d) hereof). The City may prepay the New City Note, in whole or in part, at any time without penalty.

(d) Funds for Payment. The City may use any other Incremental Taxes or Excess Incremental Taxes to make payments on the New City Note, in its discretion, subject to the requirements of the Senior Lien Obligations.

(e) City Payments. The City is not obligated to pay principal of or interest on the New City Note in any year in which there are no Available Excess Incremental Taxes. If at the end of the Term of the Agreement, there is any outstanding unpaid principal of and/or interest on the New City Note (the "Outstanding Amount"), the Outstanding Amount shall be forgiven in full by the Developer, and the City shall have no obligation to pay the Outstanding Amount after the end of the Term of the Agreement.

1.04 Conditions to Issuance of the New City Note and Distribution of Bond Proceeds. The following conditions shall be complied with to the City's satisfaction on or prior to the date hereof, or, if the City agrees otherwise, prior to the issuance of the New City Note and the distribution of the Bond Proceeds:

(a) The Developer shall have submitted to DPD, and DPD shall have approved, an amended budget for the Project and a sworn owner's statement for the Project, to be attached hereto as Exhibit C. The actual cost of the Project was not less than \$36,987,715 as set forth in the amended Project Budget attached hereto as Exhibit C. The Developer shall have provided evidence, in a form satisfactory to DPD, of the payment of all costs reflected in the budget.

(b) The Developer shall have furnished to the City evidence that the Developer has obtained any necessary consent to the execution and recording of this First Amendment from any entity providing Lender Financing.

(c) The Developer, at its own expense, shall furnish the City with a copy of date-down to the Title Policy for the Property,

dated as of the date hereof, certified by the Title Company, showing the Developer as the named insured. The Title Policy shall be dated as of the date hereof, and shall contain only those title exceptions identified as Permitted Liens on Exhibit G to the original Agreement.

(d) The Developer, at its own expense, shall have insured the Property in accordance with Section 12 of the Original Agreement and shall have delivered to DPD certificates evidencing the required coverages. In addition, the Developer shall deliver to DPD a certificate evidencing the coverage set forth in Section 1.06 hereof.

(e) On the date hereof, the Developer shall furnish the City with an opinion of counsel, substantially in the form attached hereto as Exhibit D, with such changes as may be required by or acceptable to Corporation Counsel.

(f) Not less than thirty (30) days prior to the date hereof, the Developer shall have provided Financial Statements to DPD for its most recent fiscal year, and any reviewed (and certified by the Developer's chief financial officer) interim financial statements prepared since the end of its most recent fiscal year.

(g) The Developer shall have provided documentation to DPD, satisfactory in form and substance to DPD, with respect to the current numbers of employees at the Facility.

(h) The Developer shall provide a copy of its Articles of Incorporation containing the original certification of the Secretary of State of Illinois, a copy of its By-Laws certified by the Secretary of State of Illinois, and a secretary's certificate in such form and substance as the Corporation Counsel may require regarding incumbency and other matters.

(i) The Developer shall provide to Corporation Counsel and DPD, at least ten (10) business days prior to the date hereof, a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

(j) The City will not execute and deliver this First Amendment, issue the New City Note or otherwise provide any of the assistance contemplated hereby if any of the following events have occurred:

(A) the representations and warranties contained in the Original Agreement are not true and correct or the Developer is not in compliance with all covenants contained herein;

(B) there is any lien or claim of lien either filed or threatened against the Property except for the Permitted Liens or liens which the Developer is contesting in accordance with Section 8.15 of the Original Agreement;

(C) an Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and

(D) the Developer is in default or arrears in payment of any tax, charge or fine owing to the City.

1.05 Effect of Issuance of Certificate; Continuing Obligations. On the date hereof, the City will issue the Certificate to the Developer. The effect of the issuance of the Certificate will be limited as set forth in Section 7.02 of the Original Agreement.

1.06 Insurance Coverage. Throughout the Term of the Agreement, the Developer shall maintain all risk property insurance, including improvements and betterments in the amount of the full replacement value of the Property. Coverage extensions shall include business interruption/ loss of rents, flood and boiler and machinery, if applicable. The City shall be named as an additional insured on such policy. In the event of a casualty, if the Developer does not decide to rebuild the Facility (in a minimum amount of 325,000 per square foot), then the City may, in its sole discretion, decide to terminate payments on the New City Note and payment of the Additional Interest Reimbursement.

1.07 Covenants, Representations and Warranties of Developer.

(a) The Developer represents and warrants that the representations, warranties and covenants of the Developer in the Original Agreement are accurate and in effect as of the date hereof and as of the date of each disbursement of funds by the City hereunder or under the New City Note.

(b) The Developer has the right, power and authority to enter into, execute, deliver and perform this First Amendment. The execution, delivery and performance by the Developer of this First Amendment has been duly authorized by all necessary corporate

action, and does not and will not violate its Articles of Incorporation or by-laws, any applicable provision of law, or constitute a breach of, default under or require the consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound.

(c) The Developer is not in default with respect to any provision of the Original Agreement.

(d) The Developer acknowledges that the restrictions of Section 8.01(d) of the Original Agreement continue to apply to the Developer, notwithstanding the issuance of the Certificate.

(e) Funds disbursed by the City to the Developer hereunder or under the New City Note shall be used by the Developer solely for its payment for the TIF-Funded Improvements as provided in this Agreement.

(f) The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any additional bonds in connection with the Project or the Redevelopment Area, other than the Goose Island TIF Bonds, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements or for other eligible costs under the Act (the "Additional Bonds"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Additional Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition (including audited financial statements) and assisting the City in preparing an offering statement with respect thereto.

1.08 Amendment to Section 8.06. Section 8.06 of the Original Agreement is hereby amended by replacing the existing language with the following:

8.06 Job Creation and Retention; Covenant to Remain in the City. The Developer shall use commercially reasonable best efforts to insure that not less than four hundred and eight (408) full-time equivalent, permanent jobs shall be retained by the Developer at the site of the Project within two years of the completion thereof, and not less than two hundred and two (202) additional full-time equivalent, permanent jobs shall be created by the Developer within two

years of the completion of the Project, for a total of six hundred and ten (610) full-time equivalent, permanent jobs to be retained by the Developer at the Facility through the Term of the Agreement. In the event that the number of jobs so retained is less than five hundred and forty-nine (549) at any time during the Term of the Agreement, payments on the New City Note and payment of the Additional Interest Reimbursement shall be suspended, and interest shall not accrue on the New City Note, until the number of such jobs equals or exceeds five hundred and forty-nine (549) for a six-month period. The number of jobs at the Facility will be certified to the City on an annual basis, prior to the City's payment of the Additional Interest Reimbursement or payment of principal and interest on the New City Note. The certification must be accompanied by certified payroll data and such other evidence as the City may request. The Developer hereby covenants and agrees to maintain its operations at the Facility throughout the Term of the Agreement. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

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

1.10 Conflict of Interest. Pursuant to Section 5/11-74.44(n) of the Act the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

1.11 Recording and Filing. The Developer shall cause this First Amendment, including the exhibits, to be recorded and filed

on the date hereof against the property described in Exhibit E hereto in the conveyance and real property records of the county in which the Project is located. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

1.12 Public Improvements. Section 8.20 of the Original Agreement is hereby amended by deleting the words "and water" from clause (ii).

1.13 Remedies. The Original Agreement is hereby amended by replacing Section 15.02 with the following

15.02 Remedies. (a) Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds under the New City Note and under the Additional Interest Reimbursement. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

(b) Upon the Developer's violation of any of the covenants set forth in Section 8.06, the City will be entitled to suspend disbursement of City Funds as provided in subsection (a) above, and the City will also be entitled to receive a penalty payment from the Developer upon the conditions and in the amounts described below.

The penalty amount shall be determined as a percentage of the sum of (i) the amount of the Additional Interest Reimbursement which has been paid by the City at the time of calculation, and (ii) the amount of principal and interest paid under the New City Note at the time of calculation, less (iii) \$900,000 (the "Base Amount"). The Bond Proceeds provided to the Developer hereunder are not included in the calculation of the Base Amount.

The penalty amount shall be calculated as follows:

(A) if the operations of the Developer are relocated without the City's consent during the eight-year period beginning June 5, 1998, the penalty amount shall equal 100% of the Base Amount; (B) if the Developer is no longer operating at the Facility because it has gone out of business during the

five-year period beginning June 5, 1998, the penalty amount shall equal 100% of the Base Amount; and (C) if the Developer is no longer operating at the Facility because it has gone out of business during the period beginning on June 5, 2003 and ending on June 5, 2006, the penalty amount shall equal the following amounts: June 5, 2003-June 4, 2004 - 75% of the Base Amount; June 5, 2004-June 4, 2005 - 50% of the Base Amount; and June 5, 2005-June 5, 2006 - 25% of the Base Amount. However, the penalty will not be assessed if the Developer is replaced at the Facility with another business which is acceptable to the City, remains at the Facility through the eight year term described above and which provides at least 305 jobs (at least 60% of which are factory jobs) with at least similar pay and benefits as those provided by the Developer. The City may waive payment of the penalty amount if, in the discretion of the Chief Financial Officer of the City or the Commissioner of DPD (or designees thereof), the receipt of such funds may adversely affect the exemption from gross income of interest on the Goose Island TIF Bonds.

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

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

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

1.17 Counterparts. This First Amendment 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.

1.18 Conflict. In the event of a conflict between any provisions of this First Amendment and the provisions of the Original Agreement, the provisions of the First Amendment shall control. Other than as specifically amended hereby, the terms and conditions of the Original Agreement shall remain in effect with respect to the parties thereto.

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

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

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

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

1.23 No Business Relationship with City Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, an other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to the Agreement, or in connection with the transactions contemplated thereby, shall be grounds for termination of the Agreement and the transactions contemplated thereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to the Agreement or the transactions contemplated thereby.

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

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

REPUBLIC WINDOWS & DOORS, INC., an Illinois corporation

By: Ronald Spelman
Its: PRESIDENT

CITY OF CHICAGO

By: _____
_____,
Commissioner, Department of
Planning and Development

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

REPUBLIC WINDOWS & DOORS, INC., an Illinois corporation

By: _____

Its: _____

CITY OF CHICAGO

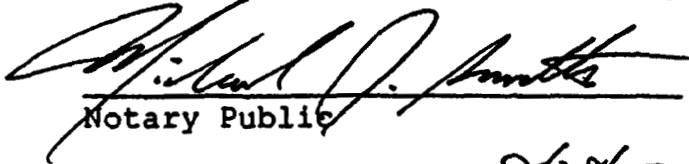
By:  _____

_____,
Commissioner, Department of
Planning and Development

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

I, Michael J. Annetta, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Ron Spielman, personally known to me to be the President of Republic Windows & Doors, Inc. , an Illinois corporation (the "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 acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of the Corporation, as his/her free and voluntary act and as the free and voluntary act of the Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 15th day of November, 2000.


Notary Public

My Commission Expires 8/28/02

(SEAL)



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

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

GIVEN under my hand and official seal this 25th day of October, 2000.

Yolanda Q. Garcia
Notary Public

My Commission Expires Dec. 17, 2002

(SEAL)



**AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS
AUTHORIZING THE EXECUTION OF
A FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT
WITH REPUBLIC WINDOWS & DOORS, INC, AND THE
ISSUANCE OF A CITY NOTE**

ORDINANCE

WHEREAS, as authorized by an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on September 11, 1996 and published at pages 27849 through 27928 of the Journal of the Proceedings of the City Council (the "Journal") of such date, the City of Chicago, through its Department of Planning and Development ("DPD"), and Republic Windows & Doors, Inc., an Illinois company (the "Company"), entered into a Redevelopment Agreement dated as of April 23, 1999 (the "Original Agreement") regarding the Company's acquisition of property within the Goose Island Redevelopment Project Area, the construction of a window fabrication and office facility thereon and the construction of certain public improvements (the "Project"); and

WHEREAS, the Company has completed the Project, and the costs of completing the Project were greater than anticipated because the Company constructed a larger manufacturing facility than originally planned and the costs of the public improvements were substantially higher than planned; and

WHEREAS, pursuant to the Original Agreement, the City issued its City of Chicago Tax Increment Allocation Revenue Note (Goose Island Redevelopment Project), Series A in the principal amount of \$6,416,003.02 (the "Original TIF Note") to the Company to assist the Company in financing the costs of the Project; and

WHEREAS, on March 9, 2000, the City issued Tax Increment Allocation Bonds (Goose Island Redevelopment Project) in an aggregate principal amount of \$16,800,000 (the "Goose Island TIF Bonds"), and the City used proceeds of the Goose Island TIF Bonds ("Bond Proceeds") in the amount of \$6,814,095.02 to pay all outstanding principal and interest on the Original TIF Note on March 9, 2000; and

WHEREAS, the City and the Company have agreed that the City will provide further assistance to the Company in connection with the Project, and the City and the Company propose to enter into a First Amendment to Redevelopment Agreement (the "First Amendment") pursuant

to which, among other things, the City will assist the Company by (i) providing up to \$599,964 of additional Bond Proceeds to the Company, (ii) issuing the Note (as hereinafter defined) to the Company in the maximum principal amount of \$1,108,888.98, and (iii) providing other funds to the Company in an amount not to exceed \$1,391,110.69, all subject to the terms and conditions of the First Amendment and the requirements of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); 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 Commissioner of DPD (the "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 the First Amendment in substantially in the form attached hereto as Exhibit A and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the First Amendment, with such changes, deletions and insertions as shall be approved by the persons executing the First Amendment.

SECTION 3. The City Council of the City hereby finds that the City is authorized to issue its tax increment allocation revenue obligation in an amount not to exceed \$1,108,888.98 for the purpose of paying a portion of the eligible costs included within the Project.

SECTION 4. There shall be borrowed for and on behalf of the City an amount not to exceed \$1,108,888.98 for the payment of a portion of the eligible costs included within the Project and the Note of the City shall be issued up to said amount and shall be designated "Tax Increment Allocation Revenue Note (Goose Island Redevelopment Project), Taxable Series 2000" (the "Note"). The Note shall be dated the date of delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein.

The Note shall bear interest at the rate of 9.0% per annum computed on the basis of a 360-day year of twelve 30-day months.

The principal of and interest on the Note shall be paid by check or draft of the Comptroller of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the person in whose name the Note is registered at the close of business on the 15th day of the month immediately prior to the applicable payment date, unless the City has been directed to make such payment in another manner by written notice given to the Registrar by the registered owner at least 30 days prior to the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City.

The seal of the City shall be affixed to or a facsimile thereof printed on the Note, and the Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City, and in case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the Note, and showing the date of authentication. The Note shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the Note shall be conclusive evidence that the Note has been authenticated and delivered under this Ordinance.

SECTION 5. The City shall cause books (the "Register") for the registration and for the transfer of the Note as provided in this Ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the Note. The City is authorized to prepare, and the Registrar shall keep custody of, multiple Note blanks executed by the City for use in the transfer of the Note.

Upon surrender for transfer of the Note at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by, the registered owner or his attorney duly authorized in writing and (iii) the written consent of the City evidenced by the signature of the Commissioner (or his or her designee) on the instrument of transfer, the City shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Note of the same maturity, of authorized denomination, for a like aggregate principal amount. The execution by the City of the fully registered Note shall constitute full and due authorization of the Note and the Registrar shall thereby be authorized to authenticate, date and deliver the Note, provided, however, that the principal amount of the Note authenticated by the Registrar shall not exceed the authorized principal amount of the Note less previous retirements. The Registrar shall not be required to transfer or exchange the Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of the Note nor to transfer or exchange the Note after notice calling the Note for redemption has been made, nor during a period of five (5) days next preceding mailing of a notice of redemption of principal of the Note. No beneficial interests in the Note shall be assigned, except in accordance with the procedures for transferring the Note described above.

The person in whose name each Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the

sum or sums so paid.

No service charge shall be made for any transfer of the Note, but the City or the Registrar may require payment of a sum sufficient to cover any Tax or other governmental charge that may be imposed in connection with any transfer of the Note.

SECTION 6. The principal of the Note shall be subject to redemption as provided in the form of Note attached hereto as Exhibit B. As directed by the Commissioner, the Registrar shall proceed with redemptions without further notice or direction from the City.

SECTION 7. The Registrar shall note on the Payment Schedule attached to the Note the amount of any payment of principal or interest on the Note, including the amount of any redemption.

SECTION 8. The Note shall be prepared in substantially the form attached hereto as Exhibit B.

SECTION 9. The Note hereby authorized shall be executed and delivered to the Company as provided in this Ordinance and the First Amendment.

SECTION 10. The City hereby assigns, pledges and dedicates the Available Excess Incremental Taxes (as defined in the First Amendment) to the payment of the principal of and interest, if any, on the Note when due. Upon receipt of such funds by the City, the Available Excess Incremental Taxes may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago. All Available Excess Incremental Taxes shall be used to pay the principal of and interest on the Note, at maturity or upon payment or redemption prior to maturity, in accordance with their terms, which payments from such funds are hereby authorized and appropriated by the City.

SECTION 11 . The Note is a special limited obligation of the City, and is payable solely from the Available Excess Incremental Taxes (or such other funds as the City, in its sole discretion, may determine), and shall be a valid claim of the registered owner thereof only against said sources. The Note shall not be deemed to constitute an indebtedness or a loan against the general taxing powers or credit of the City, within the meaning of any constitutional or statutory provision. The registered owner of the Note shall not have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of or interest on the Note.

SECTION 12. Pursuant to the First Amendment, the City and the Company have agreed that the eligible costs of completing the Project up to the amount of \$1,108,888,98 shall be deemed to be a disbursement of the proceeds of the Note, and the outstanding principal amount of the Note shall be increased by the amount of each such advance. The principal amount outstanding of the Note shall be the sum of advances made pursuant to certificates of expenditure (the "Certificates of Expenditure") executed by the Commissioner (or his or her designee) and authenticated by the Registrar, in accordance with the First Amendment, minus any principal amount paid on the Note

and other reductions in principal as provided in the First Amendment. A Certificate of Expenditure shall not be valid or obligatory under this Ordinance unless or until authenticated by the Registrar by manual signature. The City shall not execute Certificates of Expenditure that total in excess of \$1,108,888.98. Upon execution of a Certificate of Expenditure, the Registrar shall promptly send the Certificate to the Registered Owners and retain a copy with the Register.

SECTION 13. The Registrar shall maintain a list of the names and address of the registered owner from time to time of the Note and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor.

SECTION 14. The provisions of this Ordinance shall constitute a contract between the City and the registered owners of the Note. All covenants relating to the Note are enforceable by the registered owner of the Note.

SECTION 15. The Mayor, the Comptroller, the City Clerk, the Commissioner (or his or her designee) and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance.

SECTION 16. 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 17. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 18. This ordinance shall be in full force and effect immediately upon its passage.

Attachments:

Exhibit A: First Amendment to Redevelopment Agreement

Exhibit B: Form of City Note

Exhibit A

\$2,499,999.67
1/3.5

\$599,964 proceeds at closing
\$1,108,888.98 Note
\$1,391,110.69 pay-as-you-go

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

and certified payroll

Republic must submit to us a Certif. of Employment prior to any payments.

**FIRST AMENDMENT TO
REPUBLIC WINDOWS & DOORS, INC. REDEVELOPMENT AGREEMENT**

This First Amendment to Republic Windows & Doors, Inc. Redevelopment Agreement (the "First Amendment") is made as of this ____ day of _____, 2000, by and between the City of Chicago, an Illinois municipal corporation (the "City") through its Department of Planning and Development ("DPD"), and Republic Windows & Doors, Inc., an Illinois corporation (the "Developer").

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions or conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. Prior City Agreement: To induce redevelopment pursuant to the Act, the City and the Developer entered into a Redevelopment Agreement dated as of April 23, 1999, which was recorded with the Recorder of Deeds of Cook County on May 13, 1999 as document number 99464493 (the "Original Agreement"). Pursuant to the Original Agreement, the City agreed to issue the City of Chicago Tax Increment Allocation Revenue Note (Goose Island Redevelopment Project), Series A in the principal amount of \$6,416,003.02 to the Developer in order to assist the Developer in its completion of the Project (the "Original City Note"). Capitalized terms which are not defined herein shall have the meanings set forth in the Original Agreement.

D. The Project; Public Infrastructure: The Developer has completed the Project. The total cost of the Project was initially anticipated to be \$20,156,402, but the actual total cost of the Project was \$36,987,715. The cost increased because, among other things, the Developer constructed a larger manufacturing facility than originally planned. Pursuant to the Original Agreement, the City agreed to reimburse the Developer for up to \$6,525,000 of the cost of TIF-Funded Improvements incurred by the Developer in connection with the Project. Of the \$6,525,000 of TIF-Funded Improvements, up to \$1,500,000 were for Public Infrastructure. The actual costs of the Public Infrastructure to the Developer were \$[3,070,000].

E. Prior TIF Bond Financing: On March 9, 2000, the City issued the Goose Island TIF Bonds (as hereinafter defined) in an aggregate principal amount of \$16,800,000, pursuant to the terms of the Bond Indenture (as hereinafter defined). The Goose Island TIF Bonds are secured by a first lien on (a) Pledged Revenues (as hereinafter defined); (b) all moneys and securities and earnings thereon in certain funds, accounts and sub-accounts established pursuant to the Bond Indenture; and (c) any and all other moneys, securities and property furnished from time to time to the Bond Trustee (as hereinafter defined) by the City or on behalf of the City or by any other persons to be held by the Bond Trustee under the terms of the Bond Indenture (collectively, the "Pledged Security"). In addition, the City has reserved and excluded from the Pledged Security approximately \$250,000 which was on deposit in the Goose Island TIF Fund (as hereinafter defined) on the date on which the Goose Island TIF Bonds were issued (the "Excluded Security"). The Excluded Security has been designated for certain Redevelopment Project Costs. Under the terms of the Bond Indenture, payment of principal of, premium, if any, and interest on, the Goose Island TIF Bonds will be made solely from Pledged Security after payment of (i) Program Expenses (as defined in the Bond Indenture) and (ii) any monies necessary to preserve the tax-

exempt interest on applicable Goose Island TIF Bonds in accordance with requirements of Section 148 of the Code (as hereinafter defined). The Developer acknowledges the issuance of the first series of Goose Island TIF Bonds on March 9, 2000, and that the Developer has no claim on any Excluded Security or Pledged Security except for monies which are deposited into the General Account (as hereinafter defined) of the Goose Island TIF Fund and which have not been designated for any other purpose under Section 502(d) of the Bond Indenture, and further subject to the conditions, limitations, requirements, terms and conditions of this Agreement. The Developer further acknowledges that pursuant to the Bond Indenture, the City, from time to time in the future, may issue Additional Bonds, Refunding Bonds or Junior Lien Obligations (as those terms are defined in the Bond Indenture, and collectively referred to herein as the "Senior Lien Obligations") and if and when issued, payment of principal of, premium, if any, and interest on the Senior Lien Obligations would have a prior lien on the Pledged Security over any obligation created under this Agreement. The City agrees that it shall not issue any Senior Lien Obligations unless, in connection therewith, the New City Note (as hereinafter defined) is paid in full.

F. Repayment of Original City Note: A portion of the proceeds of the Goose Island TIF Bonds, in the amount of \$6,814,095.02, was used to pay all outstanding principal and interest on the Original City Note, which was canceled on March 9, 2000.

G. Additional City Assistance: Subject to the terms and conditions of this First Amendment and the Original Agreement, the City agrees to provide additional assistance to the Developer in connection with the Project by (i) providing up to \$599,964 of the proceeds of the Goose Island TIF Bonds (the "Bond Proceeds") to the Developer, (ii) issuing the City of Chicago Tax Increment Allocation Revenue Note (Goose Island Redevelopment Project), Taxable Series 2000 in the maximum principal amount of \$1,108,888.98 (the "New City Note") to the Developer and (iii) providing other funds to the Developer on a pay-as-you-go basis in an amount not to exceed \$1,391,110.69, with all such assistance being given to reimburse the Developer for the costs of additional TIF-Funded Improvements. A form of the New City Note is attached hereto as Exhibit A.

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

SECTION 1. AGREEMENTS

1.01 Definitions; Recitals.

(a) Revised Definitions. References in this First Amendment and in the Original Agreement to the Agreement shall be deemed to refer to the Original Agreement, as amended by this First Amendment and from time to time. The definition of "Term of the Agreement" in the Original Agreement shall be replaced with the following: "Term of the Agreement" shall mean the period of time commencing on the date of the Closing Date and ending on July 10, 2019, the date on which the Redevelopment Area is no longer in effect, or December 31, 2020 if the City through appropriate action elects to extend the Redevelopment Area pursuant to Section 5/11 74.4-5 of the Act. The definition of "TIF-Funded Improvements" in the Original Agreement shall be amended by replacing clause (iii) with the following: (iii) the City has agreed to pay or reimburse the Developer through the New City Note, subject to the terms of this Agreement. The definition of "City Funds" in the Original Agreement shall be replaced with the following: "City Funds" shall mean the funds provided to the Developer pursuant to the Agreement, including payments of principal and interest on the New City Note or the City Note, the payment of Bond Proceeds or the Additional Interest Reimbursement.

(b) Recitals. The foregoing recitals are hereby incorporated herein by reference.

(c) New Definitions. The following definitions are being added to Section 2 of the Original Agreement:

"Additional Bonds" shall mean Additional Bonds as defined in the Bond Indenture.

"Additional Interest Reimbursement" shall have the meaning set forth in Section 1.02(d) hereafter.

"Annual Excluded Amounts" shall have the meaning set forth in Section 1.03(a) hereof.

"Applicable Percentage" shall have the meaning set forth in Section 1.03(b) hereof.

"Available Excess Incremental Taxes" shall have the meaning set forth in Section 1.03(b) hereof.

"Bond Indenture" shall mean that certain Trust Indenture dated as of March 1, 2000, from the City to the Bond Trustee, pursuant to

which the City has issued the Goose Island TIF Bonds and is authorized to issue the Senior Lien Obligations, and may include any supplemental indenture entered into between the City and the Bond Trustee in connection with the issuance of any Senior Lien obligations.

"Bond Trustee" shall mean Cole Taylor Bank, as trustee under the Bond Indenture, and any successor in interest appointed in accordance with the Bond Indenture.

"City Fee" shall mean the fee described in Section 1.03(a) hereof.

"City Public Improvements" shall have the meaning set forth in Section 1.03(a) hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

"Excess Incremental Taxes" shall mean Incremental Taxes which are received and deposited into the General Account of the Goose Island TIF Fund on an annual basis during the calendar year and which are available for the financing or payment of Redevelopment Project Costs under Section 502(d) of the Bond Indenture.

"Excluded Security" shall mean approximately \$250,000 which was on deposit in the Goose Island TIF Fund on the date on which the Goose Island TIF Bonds were issued.

"General Account" shall mean General Account as defined in the Bond Indenture.

"Goose Island TIF Bonds" shall mean the \$16,800,000 aggregate principal amount of Tax Increment Allocation Bonds (Goose Island Redevelopment Project) issued by the City pursuant to the Bond Indenture.

"Goose Island TIF Fund" shall mean the special tax allocation fund created by the City pursuant to the TIF Adoption Ordinance in connection with the Redevelopment Area into which the Incremental Taxes will be deposited for the payment of Redevelopment Project costs and obligations incurred in the payment thereof.

"Incremental Taxes" shall mean the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Redevelopment Area by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Area, which taxes are attributable to the increase in

the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Area over and above the certified initial equalized assessed value of each such piece of property.

"Junior Lien Obligations" shall mean Junior Lien Obligations as defined in the Bond Indenture.

"Net Excess Incremental Taxes" shall have the meaning set forth in Section 1.03(a) hereof.

"Outstanding Amount" shall have the meaning set forth in Section 1.03(e) hereof.

"Pledged Revenues" shall mean Incremental Taxes collected in 1999 and thereafter and any other revenues from any source whatsoever designated to pay principal of, premium, if any, or interest on the Senior Lien Obligations, including, without limitation, amounts on deposit in and pledged to various-funds and accounts (other than the Program Expenses Account, the Rebate Account and the Excluded Security) as provided in the Bond Indenture, together with interest earnings thereon.

"Pledged Security" shall have the meaning set forth in Recital E of this Agreement.

"Program Expenses" shall mean Program Expenses as defined in the Bond Indenture.

"Program Expenses Account" shall mean the Program Expenses account as created pursuant to and as defined in the Bond Indenture.

"Rebate Account" shall mean the Rebate Account as created pursuant to and as defined in the Bond Indenture.

"Refunding Bonds" shall mean Refunding Bonds as defined in the Bond Indenture.

"Senior Lien Obligations" shall have the meaning set forth in Recital E of this Agreement.

1.02 TIF-Funded Improvements; City Assistance. (a) TIF Funded Improvements. Exhibit B sets forth, by line item, the additional TIF Funded Improvements for the Project, and the maximum amount of costs that may be paid from City Funds for each line item therein pursuant to this First Amendment, contingent upon receipt by the City of documentation satisfactory in form and substance to DPD

evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds may be used by the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs.

(b) Bonds Proceeds. On the date of this First Amendment, the City will provide the Bond Proceeds in the amount of \$599,964 to the Developer to reimburse the Developer for a portion of the costs set forth on Exhibit B.

(c) New City Note. On the date hereof, the City will issue the New City Note to the Developer to reimburse the Developer for a portion of the costs set forth on Exhibit B. Payments under the New City Note are subject to the availability of and shall be payable solely from Available Excess Incremental Taxes.

(d) Additional Interest Reimbursement. Subject to the terms and conditions of this First Amendment and the Original Agreement, the City will reimburse the Developer for certain of its interest costs incurred with respect to the Project which are identified on Exhibit B hereto, up to a maximum amount of \$1,391,110.69 (the "Additional Interest Reimbursement"). The payment of funds to the Developer for such interest costs is subject to the limitations of the Act. The payment of the Additional Interest Reimbursement will be made prior to the payment of principal and interest on the New City Note. Such payments will be made annually, on February 1.

1.03 Payment of New City Note and Other Notes. (a) Net Excess Incremental Taxes. Annual payments of principal and interest on the New City Note, the note previously issued by DPD to Riverworks, LLC on _____, 2000, in the maximum principal amount of \$1,100,000 (the "Riverworks Note", and the note to be issued to [Blackhawk, LLC] in the future in the maximum principal amount of \$14,000,000 (the "Blackhawk Note") shall be made solely from Net Excess Incremental Taxes. Net Excess Incremental Taxes shall be calculated annually as follows:

On an annual basis, the City will determine the amount of Excess Incremental taxes in the General Account. The City will then subtract from the Excess Incremental Taxes in the following amounts: (1) the annual payment related to the City's obligation to reimburse the City up to an aggregate amount of \$2,000,000 for the costs of certain public improvements within the Redevelopment Area which were paid for with City funds from sources other than Incremental Taxes with the understanding that the City would be reimbursed from Excess Incremental Taxes (the

EXHIBIT B

TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Public Infrastructure	\$1,570,000
[DPD to add other line item]	138,852.90
*Interest Cost	1,391,110.69
TOTAL	\$3,099,963.59

*Note: Developer Interest Costs will not be used in determining the principal amount of the New City Note and will not be payable from Bond Proceeds, but will be payable only as the Additional Interest Reimbursement.

**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 11 # PAGES (INCL. COVER)

TO: TOM DZIEDZIC

FAX #: 2-0955 PHONE #: _____

FROM: PAT ROBERTS

PHONE #: _____

MESSAGE:

REPUBLIC WINDOWS ORDINANCE
→ SEE SECTION 15
→ SIGNATURE PAGES

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

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**AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS
AUTHORIZING THE EXECUTION OF
A FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT
WITH REPUBLIC WINDOWS & DOORS, INC, AND THE
ISSUANCE OF A CITY NOTE**

ORDINANCE

WHEREAS, as authorized by an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on September 11, 1996 and published at pages 27849 through 27928 of the Journal of the Proceedings of the City Council (the "Journal") of such date, the City of Chicago, through its Department of Planning and Development ("DPD"), and Republic Windows & Doors, Inc., an Illinois company (the "Company"), entered into a Redevelopment Agreement dated as of April 23, 1999 (the "Original Agreement") regarding the Company's acquisition of property within the Goose Island Redevelopment Project Area, the construction of a window fabrication and office facility thereon and the construction of certain public improvements (the "Project"); and

WHEREAS, the Company has completed the Project, and the costs of completing the Project were greater than anticipated because the Company constructed a larger manufacturing facility than originally planned and the costs of the public improvements were substantially higher than planned; and

WHEREAS, pursuant to the Original Agreement, the City issued its City of Chicago Tax Increment Allocation Revenue Note (Goose Island Redevelopment Project), Series A in the principal amount of \$6,416,003.02 (the "Original TIF Note") to the Company to assist the Company in financing the costs of the Project; and

WHEREAS, on March 9, 2000, the City issued Tax Increment Allocation Bonds (Goose Island Redevelopment Project) in an aggregate principal amount of \$16,800,000 (the "Goose Island TIF Bonds"), and the City used proceeds of the Goose Island TIF Bonds ("Bond Proceeds") in the amount of \$6,814,095.02 to pay all outstanding principal and interest on the Original TIF Note on March 9, 2000; and

WHEREAS, the City and the Company have agreed that the City will provide further assistance to the Company in connection with the Project, and the City and the Company propose to enter into a First Amendment to Redevelopment Agreement (the "First Amendment") pursuant

to which, among other things, the City will assist the Company by (i) providing up to \$599,964 of additional Bond Proceeds to the Company, (ii) issuing the Note (as hereinafter defined) to the Company in the maximum principal amount of \$1,108,888.98, and (iii) providing other funds to the Company in an amount not to exceed \$1,391,110.69, all subject to the terms and conditions of the First Amendment and the requirements of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); 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 Commissioner of DPD (the "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 the First Amendment in substantially in the form attached hereto as Exhibit A and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the First Amendment, with such changes, deletions and insertions as shall be approved by the persons executing the First Amendment.

SECTION 3. The City Council of the City hereby finds that the City is authorized to issue its tax increment allocation revenue obligation in an amount not to exceed \$1,108,888.98 for the purpose of paying a portion of the eligible costs included within the Project.

SECTION 4. There shall be borrowed for and on behalf of the City an amount not to exceed \$1,108,888.98 for the payment of a portion of the eligible costs included within the Project and the Note of the City shall be issued up to said amount and shall be designated "Tax Increment Allocation Revenue Note (Goose Island Redevelopment Project), Taxable Series 2000" (the "Note"). The Note shall be dated the date of delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein.

The Note shall bear interest at the rate of 9.0% per annum computed on the basis of a 360-day year of twelve 30-day months.

The principal of and interest on the Note shall be paid by check or draft of the Comptroller of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the person in whose name the Note is registered at the close of business on the 15th day of the month immediately prior to the applicable payment date, unless the City has been directed to make such payment in another manner by written notice given to the Registrar by the registered owner at least 30 days prior to the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City.

The seal of the City shall be affixed to or a facsimile thereof printed on the Note, and the Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City, and in case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the Note, and showing the date of authentication. The Note shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the Note shall be conclusive evidence that the Note has been authenticated and delivered under this Ordinance.

SECTION 5. The City shall cause books (the "Register") for the registration and for the transfer of the Note as provided in this Ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the Note. The City is authorized to prepare, and the Registrar shall keep custody of, multiple Note blanks executed by the City for use in the transfer of the Note.

Upon surrender for transfer of the Note at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by, the registered owner or his attorney duly authorized in writing and (iii) the written consent of the City evidenced by the signature of the Commissioner (or his or her designee) on the instrument of transfer, the City shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Note of the same maturity, of authorized denomination, for a like aggregate principal amount. The execution by the City of the fully registered Note shall constitute full and due authorization of the Note and the Registrar shall thereby be authorized to authenticate, date and deliver the Note, provided, however, that the principal amount of the Note authenticated by the Registrar shall not exceed the authorized principal amount of the Note less previous retirements. The Registrar shall not be required to transfer or exchange the Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of the Note nor to transfer or exchange the Note after notice calling the Note for redemption has been made, nor during a period of five (5) days next preceding mailing of a notice of redemption of principal of the Note. No beneficial interests in the Note shall be assigned, except in accordance with the procedures for transferring the Note described above.

The person in whose name each Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the

sum or sums so paid.

No service charge shall be made for any transfer of the Note, but the City or the Registrar may require payment of a sum sufficient to cover any Tax or other governmental charge that may be imposed in connection with any transfer of the Note.

SECTION 6. The principal of the Note shall be subject to redemption as provided in the form of Note attached hereto as Exhibit B. As directed by the Commissioner, the Registrar shall proceed with redemptions without further notice or direction from the City.

SECTION 7. The Registrar shall note on the Payment Schedule attached to the Note the amount of any payment of principal or interest on the Note, including the amount of any redemption.

SECTION 8. The Note shall be prepared in substantially the form attached hereto as Exhibit B.

SECTION 9. The Note hereby authorized shall be executed and delivered to the Company as provided in this Ordinance and the First Amendment.

SECTION 10. The City hereby assigns, pledges and dedicates the Available Excess Incremental Taxes (as defined in the First Amendment) to the payment of the principal of and interest, if any, on the Note when due. Upon receipt of such funds by the City, the Available Excess Incremental Taxes may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago. All Available Excess Incremental Taxes shall be used to pay the principal of and interest on the Note, at maturity or upon payment or redemption prior to maturity, in accordance with their terms, which payments from such funds are hereby authorized and appropriated by the City.

SECTION 11. The Note is a special limited obligation of the City, and is payable solely from the Available Excess Incremental Taxes (or such other funds as the City, in its sole discretion, may determine), and shall be a valid claim of the registered owner thereof only against said sources. The Note shall not be deemed to constitute an indebtedness or a loan against the general taxing powers or credit of the City, within the meaning of any constitutional or statutory provision. The registered owner of the Note shall not have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of or interest on the Note.

SECTION 12. Pursuant to the First Amendment, the City and the Company have agreed that the eligible costs of completing the Project up to the amount of \$1,108,888.98 shall be deemed to be a disbursement of the proceeds of the Note, and the outstanding principal amount of the Note shall be increased by the amount of each such advance. The principal amount outstanding of the Note shall be the sum of advances made pursuant to certificates of expenditure (the "Certificates of Expenditure") executed by the Commissioner (or his or her designee) and authenticated by the Registrar, in accordance with the First Amendment, minus any principal amount paid on the Note

and other reductions in principal as provided in the First Amendment. A Certificate of Expenditure shall not be valid or obligatory under this Ordinance unless or until authenticated by the Registrar by manual signature. The City shall not execute Certificates of Expenditure that total in excess of \$1,108,888.98. Upon execution of a Certificate of Expenditure, the Registrar shall promptly send the Certificate to the Registered Owners and retain a copy with the Register.

SECTION 13. The Registrar shall maintain a list of the names and address of the registered owner from time to time of the Note and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor.

SECTION 14. The provisions of this Ordinance shall constitute a contract between the City and the registered owners of the Note. All covenants relating to the Note are enforceable by the registered owner of the Note.

→ **SECTION 15.** The Mayor, the Comptroller, the City Clerk, the Commissioner (or his or her designee) and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance.

SECTION 16. 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 17. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 18. This ordinance shall be in full force and effect immediately upon its passage.

SENT BY:

9-17- 3 ; 1:31PM ;

CHICAGO DPD→

3127420955:# 7/11

Attachments:

Exhibit A: First Amendment to Redevelopment Agreement

Exhibit B: Form of City Note

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

REPUBLIC WINDOWS & DOORS, INC., an Illinois corporation

By: Ronald Spelman

Its: PRESIDENT

CITY OF CHICAGO

By: _____

Commissioner, Department of
Planning and Development

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

REPUBLIC WINDOWS & DOORS, INC., an Illinois corporation

By: _____

Its: _____

CITY OF CHICAGO

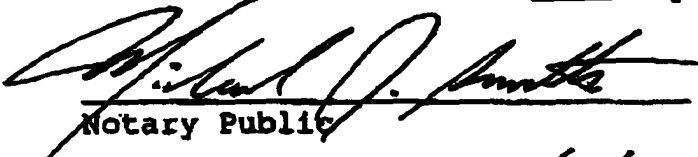
By:  _____

_____,
Commissioner, Department of
Planning and Development

STATE OF ILLINOIS)
) 55
COUNTY OF COOK)

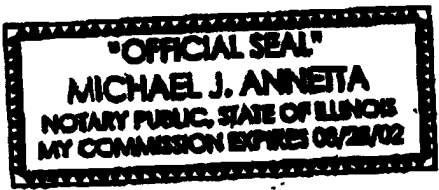
I, Michael J. Annetta, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Ron Spielman, personally known to me to be the President of Republic Windows & Doors, Inc. , an Illinois corporation (the "Corporation") , and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of the Corporation, as his/her free and voluntary act and as the free and voluntary act of the Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 15th day of November, 2000.


Notary Public

My Commission Expires 8/28/02

(SEAL)



STATE OF ILLINOIS)
)
COUNTY OF COOK)

SS

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

GIVEN under my hand and official seal this 25th day of October, 2000.

Yolanda Q. Garcia
Notary Public

My Commission Expires Dec. 17, 2002

(SEAL)

