south along the same line to a point of intersection with the southern property line of tax parcel 13-14-204-045; thereafter east along the same line to the middle of the first alley immediately south of Lawrence Avenue and east of Spaulding Avenue; thereafter running east along the same line to the middle of the first alley immediately west of North Kedzie Avenue; thereafter south along the same line to a point of intersection with the center line of West Montrose Avenue; thereafter east on said line to a point of intersection with a straight line extended south from the middle of the first alley immediately east of North Kedzie Avenue and north of West Montrose Avenue; thereafter north on the same line to a point of intersection with the middle of the first alley immediately south of Lawrence Avenue; thereafter east along the same line to the westernmost edge of the north branch of the Chicago River; thereafter northwest along the river to the point of origin.

The approximate street location of said territory is as follows:

On Lawrence Avenue from the Chicago River on the east to Keystone Avenue on the west; on Kedzie Avenue from Ainslie Avenue on the north to Montrose Avenue on the south; on Kimball Avenue from Ainslie Avenue on the north to Leland Avenue on the south; on Pulaski Road from Foster Avenue on the north to Montrose Avenue on the south in the City of Chicago, Cook County, Illinois.

[Map printed on page 3126 of this Journal.]

EXECUTION OF REDEVELOPMENT AGREEMENT WITH
RYAN CENTER LIMITED PARTNERSHIP I AND
DEVON NATIONAL BANK FOR RYAN
GARFIELD REDEVELOPMENT
PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a redevelopment agreement and the execution of an urban development action grant redevelopment agreement with the Ryan Center Limited Partnership I and Devon National Bank as Trustee under Trust 5350 in conjunction with the Ryan Garfield community redevelopment project.

On motion of Alderman T. Evans, the said proposed ordinance was Passed by yeas and nays as follows:


Nays -- None.

(Continued on page 3127)
Alderman Sawyer moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago, Illinois (the "City"), has heretofore designated a portion of the City as a "redevelopment project area" known as the Ryan Garfield Community Redevelopment Project Area (the "Project Area") in accord with the provisions of the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "Act"); and

WHEREAS, The City has approved a redevelopment plan and redevelopment project for the Project Area and held the necessary public hearings required by the Act; and

WHEREAS, The City has determined that it is necessary and in the best interests of the City that the City issue tax increment allocation bonds for the purpose of paying a portion of the redevelopment project costs for the redevelopment project which has been approved for the Project Act; and

WHEREAS, The City Council of the City has determined that it is necessary and in the best interests of the City to memorialize certain promises of the Ryan Center Limited Partnership I (hereinafter Developer) and Devon Bank, Trustee under Trust Agreement dated May 1, 1987 and known as Trust No. 5350, to redevelop the subject property; and

WHEREAS, On July 29, 1986 the City Council of the City of Chicago adopted an ordinance authorizing submission of an application ("Application") on behalf of the City for an Urban Development Action Grant ("U.D.A.G.") for the Project to the United States Department of Housing and Urban Development ("H.U.D."); and

WHEREAS, After submission of said Application, H.U.D. has preliminarily approved U.D.A.G. Grant No. B-84-AA-17-0257 (the "U.D.A.G. Grant"), which provides that $935,000.00 may be loaned by the City to Developer for the Project; and

WHEREAS, Developer desires to borrow said amount from the City, and the City is willing, subject to the terms and conditions herein, to lend said amount to Developer; now, therefore,

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

SECTION 1. The Commissioner or First Deputy Commissioner of the Department of Economic Development is authorized to execute on behalf of the City of Chicago a Redevelopment Agreement substantially in the form attached hereto and hereby approved, or with such changes therein as may be approved by the Commissioner or the First Deputy Commissioner, his or her execution thereof to constitute the conclusive evidence of his or her approval of any and all changes or revisions in the form of the Redevelopment Agreement which may be necessary, proper or useful.
SECTION 2. The Commissioner or the First Deputy Commissioner is further authorized to enter into and execute on behalf of the City of Chicago an Urban Development Action Grant Redevelopment Agreement, substantially in the form attached hereto and hereby approved, or with such changes therein as may be approved by the Commissioner or the First Deputy Commissioner, his or her execution thereof to constitute the conclusive evidence of his or her approval of any and all changes or revisions in the form of said Redevelopment Agreement which may be necessary, proper or useful to effectuate the terms and conditions of the Grant Agreement as it may, from time to time, be amended.

SECTION 3. The Commissioner or First Deputy Commissioner is further authorized to enter into and execute all other instruments, documents and agreements as may be necessary, proper or useful to effectuate the terms and conditions of the Grant Agreement and the Redevelopment Agreement.

SECTION 4. This ordinance shall be effective upon its passage and approval.

Redevelopment Agreement attached to this ordinance reads as follows:

Ryan Garfield Community Shopping Center

Redevelopment Agreement.

This Agreement made this ____ day of September, 1987 by and among the City of Chicago, Illinois, an Illinois municipal corporation (the "City"), Ryan Center Limited Partnership I, an Illinois Limited Partnership (the "Developer") and Devon Bank not personally but as Trustee under Trust Agreement dated May 1, 1987 and known as Trust Number 5350 (the "Trust").

Recitals:

A. The City has the authority to promote the health, safety and welfare of the City and its inhabitants, to prevent the spread of blight and to encourage private development in order to enhance the local tax base and create employment, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes.

B. On October 1, 1965, pursuant to Chapter 67 1/2, par. 91.101 et seq., Illinois Revised Statutes, the corporate authorities of the City designated an area within the City as "Slum and Blighted Area-Garfield LaSalle". A portion of said area remaining a blighted area is generally bounded by Wentworth Avenue on the west, the Rock Island Railroad tracks on the east, an east-west alley on the north, and Garfield Boulevard to the south, which parcel is legally described on Exhibit A attached hereto and incorporated herein by reference and designated the "Redevelopment Project Area" by an ordinance hereinafter described.

C. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 et seq., of Ch. 24, Illinois Revised Statutes, as amended (the "Act"), to finance redevelopment in accordance with the conditions and requirements set forth in the Act.
D. To stimulate and induce the acquisition and redevelopment of the Redevelopment Project Area, and pursuant to the Act, the City Council of the City of Chicago ("City Council"), on December 18, 1986, adopted the following ordinances: (1) "An ordinance of the City of Chicago, Illinois, approving a Tax Increment Redevelopment Plan and Redevelopment Project, for the Ryan Garfield Community Redevelopment Project Area," (2) "An ordinance of the City of Chicago, Illinois, designating the Ryan Garfield Community Redevelopment Project Area of said City a Redevelopment Project Area pursuant to the Tax Increment Allocation Redevelopment Project Act," (3) "An ordinance of the City of Chicago, Illinois adopting Tax Increment Allocation financing for the Ryan Garfield Community Redevelopment Project Area," and (4) "An ordinance authorizing the Department of Revenue to certify and cause to be paid to the City of Chicago, Illinois, an amount equal to the increase in certain taxes paid in portion of said City".

E. For the purpose of paying a portion of the redevelopment project costs for the Project (hereinafter defined), the City Council, on July 29, 1987 adopted "An ordinance of the City of Chicago, Illinois, providing for the issuance of not to exceed $2,500,000 Ryan Garfield Tax Increment Revenue Bonds, Series 1987." The proceeds from the sale of the bonds ("T.I.F. Funds") will be used to finance certain redevelopment project costs as described in Exhibit B attached hereto and incorporated by reference herein ("T.I.F. Funded Redevelopment Project Costs"). The improvements and other costs and expenses to be funded by T.I.F. Funds are herein referred to as "T.I.F. Improvements".

F. In addition to financing the T.I.F. Funded Redevelopment Project Costs, and for the purpose of paying a portion of the redevelopment project costs for the Project, the City agrees to pledge an amount ("Corporate Funds") not to exceed $1,255,000 of proceeds from the issuance of $185,000,000 City of Chicago General Obligation Bonds, Refunding and Project Series, 1986, pursuant to an ordinance adopted by the City Council on November 24, 1986, to finance certain redevelopment project costs as described in Exhibit C attached hereto and incorporated herein by reference ("Corporate Funded Redevelopment Project Costs"). The improvements and other costs and expenses to be funded by Corporate Funds are herein referred to as "G.O. Improvements".

G. In furtherance of the foregoing, Developer intends to develop a shopping center as further described below and outlots including buildings and improvements on a 10-acre parcel of real property (the "Property") situated within the boundaries of the Redevelopment Project Area, which parcel is legally described in Exhibit D attached hereto and incorporated by reference herein. The Property together with all improvements contemplated pursuant to the Redevelopment Plan adopted by the City Council for the Redevelopment Project Area are herein sometimes referred to as the "Project".

H. Because of the lack of economic growth within the Redevelopment Project Area and in order to stimulate economic development within the area and to promote the creation of jobs for community citizens, Developer intends to enter into an agreement with the Third Ward Partnership, a not-for-profit- organization, for the development of a job training program to insure that local residents are capable of filling jobs created by the Project, as further described below, to be funded, in part, by a portion of the T.I.F. Funds. The City intends to place additional job training requirements on the Project as hereinafter provided.
For And In Consideration of the mutual covenants and agreements contained below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I.

Incorporation Of Recitals.

1.01 The recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section I.

II.

Certain Developer's Covenants,

Representations And Warranties.

Developer represents, warrants and covenants to the City as follows:

A. Developer shall be governed by, adhere to and obey any and all applicable federal, state and local laws, statutes, ordinances, rules, regulations and executive orders of general applicability as may be in effect from the date of this Agreement.

B. Developer shall proceed diligently to carry out the purchase of the Property and the construction of the Project as required by this Agreement and the Redevelopment Plan.

C. (i) Developer is a duly organized and existing Illinois limited partnership in good standing under the laws of the State of Illinois; (ii) Developer has the right and power and is authorized to enter into, execute, deliver and perform this Agreement; (iii) the execution, delivery and performance by Developer, and/or the Trust of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Developer's Partnership Agreement, the Trust's trust agreement, or any instrument or document to which either Developer or the Trust is now a party or by which either of them is bound; (iv) Developer, and the Trust shall cause title to the Property to be maintained in merchantable condition as granted to it free and clear of all liens, claims, security interests and encumbrances except those of the first mortgage lender and second mortgage from the City as provided in Section XII, any liens or encumbrances otherwise permitted pursuant to this Agreement and any exceptions to title approved by the City; (v) Developer is now solvent and able to pay its debts as they mature; (vi) there are no actions at law or similar proceedings which are pending or threatened against Developer, the Trust or the Property which might result in any material and adverse change to the Trust's or Developer's financial condition, or materially affect the Trust's or Developer's assets as of the date of this Agreement; (vii) the Trust and Developer have all government permits, certificates, consents (including, without limitation, appropriate environmental clearances and approvals) and franchise necessary to continue to conduct its business and to own or lease and operate its properties (including without limitation the Property) as now owned or leased by it; (viii) no default has been declared with respect to any indenture, loan agreement, mortgage, deed or other similar agreement...
relating to the borrowing of monies to which either the Trust or Developer is a party or by which either of them is bound; (ix) the financial materials furnished by or on behalf of Developer to the City ("Financials") fairly and accurately present the assets, liabilities and financial conditions and results of operations of Developer as of the dates thereof; and (x) there has been no material and/or adverse change in the assets, liabilities or financial condition of Developer since the dates of the Financials and the date of this Agreement other than as a result of the ordinary and customary conduct of its business.

D. (i) Developer's general partner, Matanky Partner XXIX, an Illinois General Partnership, ("General Partner"), is a duly organized and existing Illinois general partnership in good standing under the laws of the State of Illinois; (ii) General Partner has the right and power and is authorized to enter into, execute, deliver and perform this Agreement, (iii) the execution, delivery and performance by General Partner of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in General Partner's partnership agreement or any instrument or document to which General Partner is now a party or by which it is bound; (iv) General Partner shall cause title to the Property to be maintained in merchantable condition as granted to it free and clear of all liens, claims, security interests and encumbrances except those of the first mortgage lender and second mortgage from the City as provided in Section XII, any liens or encumbrances otherwise permitted pursuant to this Agreement and any exceptions to title approved by the City; (v) General Partner is now solvent and able to pay its debts as they mature; (vi) there are no actions at law or similar proceedings which are pending or threatened against General Partner on the Property which might result in any material and adverse change to General Partner's financial condition and assets as of the date of this Agreement; (vii) no default has been declared with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which General Partner is a party or is bound; (viii) the financial materials furnished by or on behalf of General Partner of the City ("Financials") fairly and accurately present the assets, liabilities and financial conditions and results of operations of General Partner as of the dates hereof; (ix) there has been no material and/or adverse change in the assets, liabilities or financial condition of General Contracts since the dates of the Financials and the date of this Agreement other than as a result of the ordinary and customary conduct of its business.

E. Developer shall not, without the Department of Economic Development's (the "Department") prior written consent thereto, which the Department may or may not give in its sole discretion, concurrently or hereafter, except as permitted under Section 12.01 or under Section 12.02, (i) grant, suffer or permit a lien, claim or encumbrance upon the Project or any portion thereof, provided that this shall not be construed to preclude, limit or require Department's consent to any lessee mortgaging its leasehold estate; (ii) permit or suffer any levy, attachment or restraint to be made affecting any of the Property; (iii) enter into any transaction not in the ordinary course of its business which materially and adversely affects Developer's ability to pay its debts as such may then exist.

F. Developer shall pay promptly when due all Charges (hereinafter defined) arising or incurred from and after the date hereof with respect to the Project. In the event, at any time or times after the date hereof and prior to the later to occur of issuance of a certificate of completion by Department for the Project or full payment of the indebtedness evidenced by the T.I.F. Bonds, Developer shall fail to pay the Charges or to obtain discharge of the same,
Developer shall so advise Department thereof in writing, at which time the City may, without waiving or releasing any obligation or liability of Developer under this Agreement, in its sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which the City deems advisable; provided, however, in the event Developer notifies the City in writing that it contests a charge or charges, and identifies security commensurate with the charge or charges contested, City shall not make such payments. All sums so paid by the City and any expenses, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable by Developer to the City. As used herein the term "Charges" shall mean all national, federal, state, county, city, municipal and/or other governmental (or any instrumentality, division, agency, body or department thereof) taxes, real property taxes, levies, water and sewer charges, assessments, special assessments, liens, claims or encumbrances or non-governmental claims or liens upon and/or relating to the Property, and/or Project.

G. (i) The Trust is a duly organized and existing land trust in the State of Illinois; (ii) Developer is the owner of one hundred percent of the beneficial interest of the Trust and has the sole power of direction over the Trust; (iii) the Trust has the right and power and authority to enter into, execute, deliver and perform this Agreement.

H. All of the information contained in the Redevelopment Plan regarding the Redevelopment Project Area, the Project, the Property and Developer is true, correct and complete to the best of Developer's knowledge.

I. All of the information contained in that Certain Offering Memorandum dated August _, 1987 City of Chicago, Illinois % $2,310,000 Ryan Garfield Tax Increment Allocation Revenue Bonds, Series 1987 set forth in the sections titled Project and Tax Increment Project: Source And Use Of Funds is true, correct and complete to the best of Developer's knowledge.

J. To the best of the Developer's knowledge the estimate of the tax receipts expected from the Property for the years set forth in Exhibit E hereto are accurate and are incorporated herein by reference.

III.

City's Covenants.

3.01 Generally. The City represents and warrants that it has authority under its home rule powers to execute and deliver and perform the terms and obligations of this Agreement, including, without limitation, the right, power and authority to issue and sell the T.I.F. Bonds for payment of the T.I.F. Improvements and to obligate Corporate Funds for the payment of the G.O. Improvements. The City will not adopt any ordinances or regulations applicable primarily to this Project which would substantially impair the Developer's or the City's ability to fulfill the obligations and covenants herein.
3.02 Assistance to Developer. The City covenants to provide Developer with assistance, particularly with respect to obtaining approvals for building permits, driveways, and median cuts, whenever reasonably requested to do so.

3.03 Vacation of Streets and Alley. Upon completion by Developer of the T.I.F. and G.O. Improvements, the City shall without cost to Developer provide or secure, or cause to be provided or secured, the closing and vacation of that portion of W. 54th and LaSalle Streets within the boundary of the Property and the alley adjacent to the northern boundary of the Property, all as particularly shown on Exhibit F attached hereto and incorporated by reference herein. Notwithstanding the foregoing the cost of removing utilities from the aforesaid streets and alley shall be borne by Developer.

IV.

Construction Of The Shopping Center And Other Improvements.

4.01 Developer's Covenant to Redevelop. Promptly after the date hereof, Developer shall redevelop the Property in accordance with the Redevelopment Plan, the ordinances adopted with respect to the Redevelopment Project Area referred to in the Recitals (the "Ordinances") and the Site Plan attached hereto as Exhibit G and incorporated herein by reference and shall plan and construct a multi-tenant retail shopping center (the "Shopping Center") consisting of a primary structure containing not less than 95,000 square feet of gross rentable area, parking for 451 cars, security fencing and landscaping, seven (7) required outlets designated parcels 1, 25, 27, 28, 29, 30, and 34, on the Site Plan ("Required Outlots"), aggregating approximately seventeen thousand five hundred (17,500) square feet of gross leasable retail space, and four (4) optional outlets designated as Parcels 26, 31, 32, and 33, on the Site Plan ("Optional Outlots"), aggregating approximately seventeen thousand five hundred (17,500) square feet of gross leasable retail space, all as more particularly described on Exhibit H consistent with (A) the Redevelopment Plan, (B) the Ordinances, (C) the addendum to the City's application for Urban Development Action Grant (the "Developer's Proposal") and in accordance with the plans and specifications to be prepared by Developer and approved by Department as provided in this Section IV.

4.02 Time For Commencement and Completion of Improvements. Developer shall commence construction of the T.I.F. Improvements and G.O. Improvements within six (6) months after the date of this Agreement. Except as otherwise provided in this Agreement, Developer shall complete construction of the Shopping Center (including the Required Outlots), the T.I.F. Improvements and the G.O. Improvements within eighteen (18) months after the date hereof. Developer shall either a) complete construction or b) landscape to Department's satisfaction the Optional Outlots within eighteen (18) months after the date hereof. For purposes of this section "landscape" shall mean Developer has graded the vacant optional outlets to the finished grade of the shopping center and has sodded said outlets with grass, which Developer shall be responsible for maintaining.

4.03 Compliance with Laws. The Shopping Center, the T.I.F. Improvements and G.O. Improvements shall be constructed in accordance with the requirements of this Agreement and shall be in conformity with all applicable laws, ordinances and regulations.
4.04 Plans and Specifications. Prior to commencing construction of the Shopping Center, the T.I.F. Improvements or the G.O. Improvements, Developer shall cause to be delivered to Department for review and approval complete construction documents containing working drawings and specifications ("plans and specifications") for such improvements. Developer shall cause the Shopping Center, the T.I.F. Improvements, and the G.O. Improvements to be constructed in accordance with the respective plans and specifications approved by Department. The plans and specifications to be prepared by Developer shall conform to the Site Plan and the Redevelopment Plan as amended from time to time, and all applicable state and local laws, ordinances and regulations. Any amendment to any of the plans and specifications or change in the Site Plan must be submitted by Developer to the Department for approval, which approval, shall not be unreasonably withheld or delayed. Developer may simultaneously submit plans and specifications to Department and the City Building Department.

4.05 Time for Submission of Construction Plans. The time within which Developer shall submit to the Department its plans and specifications for; a) the Shopping Center; b) T.I.F.; and c) G.O. Improvements shall, in any event, not be later than thirty (30) days from the date hereof.

4.06 Time for Submission of Corrected Construction Plans. Except as provided in subsection 4.07, the time within which Developer shall submit any new or corrected construction plans shall not be later than fifteen (15) days after the date Developer received written notice from Department of Department's rejection of any of the plans and specifications referred to in the last such notice.

4.07 Maximum Time for Approved Plans and Specifications. The time within which Developer shall submit plans and specifications which conform to the requirements of Department shall not be later than fifteen (15) days after the date Developer receives written notice of City's first rejection of the original plans and specifications submitted to it by Developer.

4.08 Time for Department Action. The time within which Department may reject any change in the plans or specifications or the Site Plan, hereof shall be fifteen (15) days after the date of Department's receipt of notice of such change.

4.09 Limited Applicability of Department's Approval. Any approvals made by Department of the plans and specifications and the Site Plan are for the purposes of this 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 Department pursuant to this Agreement constitute approval of the quality, structural soundness or the safety of the Shopping Center and other improvements. However, the City agrees to assist the Developer in expeditiously obtaining approvals for building permits, driveways, and median cuts, in accordance with Paragraph 3.02 of this Agreement.

4.10 Time for Submission of Evidence of Equity, Capital and Mortgage Financing. Developer shall submit evidence to the Commissioner of Economic Development as to a commitment for equity capital and any commitment for financing from Boulevard Bank
N.A. for a first mortgage construction loan of not less than $4,700,000.00 no later than the day preceding the date the T.I.F. Bond proceeds are disbursed.

V.

Certification Of Completion.

Promptly after completion of the construction of each of the following: (a) the Shopping Center, (b) the T.I.F. Improvements and (c) the G.O. Improvements, in accordance with this Agreement, Department shall furnish Developer with an appropriate instrument so certifying. Each certification by Department shall be a conclusive determination of satisfaction and termination of the covenants in this Agreement with respect to the obligations of Developer and its successors and assigns to construct or cause to be constructed the Shopping Center, the T.I.F. Improvements and the G.O. Improvements, as the case may be. The certification shall be in such form as will enable it to be recorded. Upon written request by Developer for a certificate of completion, Department shall within thirty (30) days after receipt of the same provide Developer either with a certificate of completion or a written statement indicating in adequate detail, how Developer has failed to complete the construction in conformity with the Redevelopment Plan or this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of Department, for Developer to take or perform in order to obtain the certification. If Department requires additional measures or acts of Developer to assure compliance, Developer shall resubmit a written request for a certificate of completion upon compliance with Department's response. Notwithstanding anything to the contrary herein contained, Developer may request separate certificates of completion for each of the Outlots which when issued will be a conclusive determination of the completion of such Outlot and Developer's obligation to construct same.

VI.

Utility Connections And Permit Fees.

6.01 Utility Connections. The City hereby agrees that Developer shall have the right to connect all on-site water lines, sanitary and storm sewer lines constructed on the Property to City utility lines existing on the Property or near the perimeter of the Property, provided that Developer complies with all requirements of general applicability promulgated by the City for such connections.

6.02 Permit Fees. The City agrees that Developer shall be obligated to pay, in connection with the development of the Shopping Center, only those building, permit, engineering, tap on, and inspection fees that are assessed on a uniform basis throughout the City and are of general applicability to other property within the City.

VII.

Performance Bond.

Developer shall require the general contractor to be bonded to the extent it actually engages in construction work. In addition, Developer shall require that all Major
Construction Subcontracts, as herein defined, for the Shopping Center, T.I.F. Improvements and G.O. Improvements shall be bonded for its performance and with the City being shown as additional obligee. A "Major Construction Subcontract" is any subcontract for an amount of Two Hundred Thousand Dollars ($200,000) or more. In addition the City recognizes that in order to ensure the participation of minority subcontracts as required by this Agreement, and to facilitate the hiring of local residents the bonding requirements recited herein may be waived with the approval of Department which approval shall not be unreasonably withheld. Bonds required by this Section shall be issued by sureties having a AA rating on better using American Institute of Architects' forms (No. A311 or its equivalent).

VIII.

T.I.F. Improvements And G.O. Improvements.

8.01 Developer Authorized to Construct Certain T.I.F. Improvements and G.O. Improvements. In order to further the development of the Redevelopment Project Area, the City hereby authorizes Developer to cause the T.I.F. Improvements which are outlined in Exhibit B, and the G.O. Improvements which are outlined in Exhibit C, to be constructed in accordance with this Agreement and the plans and specifications approved by the City pursuant to Section IV at an aggregate cost not to exceed the T.I.F. Funded Redevelopment Project Costs set forth in Exhibit B for the T.I.F. Improvements and the Corporate Funded Redevelopment Project Costs set forth in Exhibit C for the G.O. Improvements.

8.02 Bid Requirement. Prior to entering an agreement with a general contractor, Developer will have solicited bids from all qualified general contractors eligible to do business with the City and maintaining an office within the City's corporate limits and will select the contractor submitting the lowest bid who can complete the T.I.F. and G.O. Improvements in such a manner and in accordance with such a timetable so as not to delay the Project or increase the costs of the Project caused by the Contractor. The City shall have the right to inspect all bids submitted and shall have final approval over the selection of the Contractor. The contract shall conform to the guidelines prescribed by the Purchasing Agent of the City of Chicago for city purchasing contracts and provide for payment in accordance with this Agreement and the Bond Ordinance with respect to the T.I.F. Funds. Nothing herein contained shall be construed to permit construction to commence before the plans and specifications for the work are completed and approved by Department as provided in this Agreement. Developer shall incorporate into the contract with the contractor all obligations contained in this Agreement regarding construction of the T.I.F. and G.O. Improvements and shall require the contractor to include all such requirements in each subcontract.

8.03 T.I.F. Improvements to be Completed by City. Notwithstanding the foregoing, the City has reserved certain T.I.F. Improvements to be constructed by the City. A complete schedule of these T.I.F. Improvements is contained in Exhibit B attached hereto. The Improvements described in Exhibit B shall be paid for from T.I.F. Funds as they are allocated to these specific improvements in Exhibit B. The City recognizes that in order for the Developer to perform as required by this Agreement, all T.I.F. and G.O. Improvements must be completed in accordance with the timetable delineated herein. Therefore, the City will complete all the improvements identified in Exhibit B by May 31, 1988.
8.04 Costs of T.I.F. Improvements. The parties anticipate that the T.I.F. Bond proceeds will be sufficient to pay for the cost of the T.I.F. Improvements. If the costs of the T.I.F. Improvements undertaken by Developer as described in Exhibit B are in excess of the amount specifically allocated for such improvements as set forth in Exhibit B, Developer shall be fully responsible for, and shall hold the City harmless from said excess costs. If any portion of the T.I.F. Improvements are completed, or anticipated to be completed at a cost which is less than the amount listed on any line item contained in Exhibit B, the excess savings may be applied to other T.I.F. eligible Redevelopment Project Costs at Department’s sole discretion. Notwithstanding the foregoing, Developer shall not be required to pay the City additional funds if the cost to the City of constructing the T.I.F. Improvements listed on Exhibit B exceed the amount allocated for such improvements on Exhibit B.

8.05 Sewer and Water. The sewer and water system improvements described in Exhibit B as T.I.F. Improvements are improvements being made to the City’s utility systems, and shall in every respect remain the property of the City, and, shall be maintained and operated by the City until the City has vacated certain streets and alley as provided in subsection 3.2 above. After such vacation, the water and sewer utility systems within the boundaries of the Project shall be maintained and operated by Developer and the Trust.

8.06 Traffic and Street Lights. Notwithstanding anything contained in this Agreement to the contrary, the City shall prepare the plans and specifications, for and construct, the traffic lights and street lights designated by the City which are designated as T.I.F. Improvements. The cost of such design and constructions shall be paid for from the T.I.F. Funds specifically allocated for said T.I.F. Improvements and are included in the T.I.F. Funded Redevelopment Project Costs.

8.07 Funding for G.O. Improvements. The sum of One Million Two Hundred Fifty-five Thousand Dollars ($1,255,000.00) shall be appropriated from the City of Chicago’s issuance of $185,000,000 City of Chicago General Obligation Bonds, Refunding and Project Series, 1986 as provided in the Recitals for the purpose of paying for the G.O. Improvements. If Developer fails to complete the G.O. Improvements (except as may have been reduced pursuant to Section 11.08) in accordance with the terms hereof, Developer shall be fully responsible for, and shall hold the City harmless from, all costs of G.O. Improvements in excess of the Corporate Funds.

IX.

Use Of One Contractor.

Notwithstanding anything to the contrary herein contained, and provided that Developer otherwise complies with the terms of this Agreement, Developer may bid the T.I.F. Improvements, (exclusive of the T.I.F. Improvements undertaken by the City as described in Section 8.03), G.O. Improvements and/or the Shopping Center as part of one contract.
X.

Failure Of Developer To Complete
T.I.F. Improvements And G.O.
Improvements.

If Developer fails to complete the T.I.F. Improvements or the G.O. Improvements (except as may have been reduced pursuant to Section 11.08), after notice and after expiration of all cure periods as provided for herein, then in such event the City shall have the right to complete said improvements and to pay for the costs thereof out of the T.I.F. Funds or the Corporate Funds, as appropriate. If, and to the extent, the aggregate cost to the City of completing the T.I.F. Improvements or G.O. Improvements exceeds the amount of T.I.F. Funds or Corporate Funds, as the case may be, available for such purpose, Developer agrees to pay to the City all costs and expenses expended by the City to complete the T.I.F. Improvements in excess of the T.I.F. Funds and the G.O. Improvements in excess of the Corporate Funds.

XI.

Disbursement And Obligations.

11.01 T.I.F. Bonds. The parties agree that tax increment allocation financing implemented in accordance with the terms and provisions of the Act shall be the primary source of funding for the T.I.F. Funded Redevelopment Project Costs, provided however, Developer shall pay the amount to which the actual T.I.F. Funded Redevelopment Project Costs described in Exhibit B exceed the T.I.F. Funds. However, the T.I.F. Improvements reflected in Exhibit B are general descriptions and estimates for the completion of the words described therein. Developer with the City's prior approval may reallocate dollars between and among line items or to modify said improvements as may be desirable or necessary to complete the T.I.F. Improvements at a cost no greater than the net proceeds realized from the T.I.F. Bonds. Provided that Developer substantially completes the Shopping Center as provided herein and in the plan and specifications, the City shall not unreasonably withhold its consent to a reduction in the scope of the T.I.F. Improvements so that the costs thereof do not exceed the net proceeds realized from the sale of the T.I.F. Bonds. The City agrees to issue T.I.F. Bonds in an amount not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000.00) on terms set forth in the Bond Ordinance. Said obligations shall be secured by the funds deposited, from time to time, by the Cook County Treasurer in the tax increment special allocation fund created pursuant to Section 11-74.4-8 of the Act (the "Incremental Taxes Fund") and as specified under the terms of the Bond Ordinance. City agrees to apply the proceeds realized upon sale of T.I.F. Bonds to the extent available to the costs and in the manner set forth in the Bond Ordinance provided. In no event shall the T.I.F. Bonds be or become general obligations of the City nor shall the cost of the T.I.F. Improvements be paid from any funds other than the T.I.F. Funds or Developer's own funds.

11.02 Corporate Funds. The parties further agree that the City has made available the Corporate Funds, as described in Section IX hereof and within the provisions of the City of Chicago Municipal Code, which shall be for funding for Corporate Funded Redevelopment Project Costs, provided however, Developer shall pay the amount to which the actual
Corporate Funded Redevelopment Project Costs exceed the Corporate Funds. The City agrees to authorize the use of the Corporate Funds to the extent available to pay the costs of the G.O. Improvements, set forth in Exhibit C attached, in the manner herein provided. The parties agree that Corporate Funds available for the costs and obligations incurred in undertaking and completing the G.O. Improvements shall be paid from a segregated account designated by the City for the Ryan-Garfield Redevelopment Project. In no event shall said costs or obligations become the general obligations of the City nor shall the City be responsible for payment thereof in excess of the designated Corporate Funds. No funds other than the Corporate Funds or Developer's own funds are available to pay for G.O. Improvements. However, the G.O. Improvements reflected in Exhibit C are general descriptions and estimates for the completion of the work described therein. Developer with City's prior approval may reallocate dollars between and among line items or to modify said improvements as may be desirable or necessary to complete the G.O. Improvements at a cost no greater than the designated Corporate Funds. Provided that Developer substantially completes the Shopping Center as provided herein and in the plans and specifications, City shall not unreasonably withhold its consent to a reduction in the scope of the G.O. Improvements so that the costs thereof do not exceed the designated Corporate Funds.

11.03 Depositary of Funds. City, with consent of the underwriter from the T.I.F. Bonds, shall deposit the T.I.F. Bond proceeds and the Corporate Funds in City accounts at Boulevard Bank N.A. ("Depositary"). Said accounts shall be under the control of the City as provided for by this Agreement, the Bond Ordinance, and the T.I.F. bond underwriter.

11.04 Disbursement of Funds. The parties, including the general contractor, shall enter into a construction escrow agreement (the "Escrow") in form and substance customarily used by the City for projects similar in nature to the Project and reasonably acceptable to the City and Developer with a title insurance company reasonably acceptable to both parties (the "Escrowee"). The Escrow shall allow Developer to present the Escrowee with invoices and accompanying documentation approved for payment by the Commissioner of Economic Development, or by the First Deputy Commissioner of Economic Development. The City shall pay from the proceeds of the T.I.F. Bonds costs of the T.I.F. Improvements and other costs and expenses described in Exhibit B, attached hereto. The City shall pay from the Corporate Fund Account costs of the G.O. Improvements and other costs and expenses described in Exhibit C attached hereto. Payment of T.I.F. Funded Redevelopment Project Costs and Corporate Funded Redevelopment Project Costs shall be made as follows: Not less than ten (10) business days prior to any date upon which Developer desires payment or reimbursement hereunder, Developer shall submit a written request therefore to the First Deputy Commissioner of Economic Development and the Escrowee setting forth the amount for which payment or reimbursement is sought and, if applicable, Developer's estimate of the percent of completion of each T.I.F. Improvement or G.O. Improvement with respect to which payment or reimbursement is sought. Each request for payment or reimbursement shall be accompanied by Developer's sworn statement recommending payment, City's Construction Consultant's sworn statement recommending payment, and such bills, contracts, invoices, contractors' sworn statements, lien waivers and other evidence as Department and the Escrowee may reasonably require to evidence Developer's right to payment or reimbursement hereunder, and Developer's records
relating to all costs paid by Developer, and to obtain from such parties as Department
determines to be appropriate such other information as is necessary for Department to
evaluate Developer's compliance with the terms hereof. Department shall have ten (10)
business days after receipt of any request for payment or reimbursement accompanied by
the documentation requested, to approve and authorize depositary to fund the Escrow.
Upon the approval of the request the City shall be obligated to promptly direct depositary
to disburse to the construction escrow the funds needed for such payment or reimbursement
or send a certificate to the Depositary authorizing payment to the Escrowee, as the case
may be, which funds shall be disbursed in accordance with the Escrow. In the event
Department finds disputes in the request or the work performed in respect thereto,
Department shall specify the problem in detail in writing fifteen (15) business days after
receipt of any request for payment or reimbursement, and the request or the work shall be
corrected prior to the approval of the portion of the request affected. No funds shall be
disbursed from the Escrow until the Escrowee is prepared to issue its title insurance
endorsement to the City and Developer insuring that there are no liens affecting the
Redevelopment Project Area. No funds in excess of the amount budgeted for each of the
T.I.F. and G.O. Improvements described in Exhibit B shall be disbursed unless (1)
Developer satisfies Department that other and sufficient funds are available with which to
complete the remaining improvements or (2) Developer, with the sole consent of City as
provided in Sections 11.02 and 11.03, reduces the scope of said improvements to conform
with remaining funds.

11.05 Amount of Payment for T.I.F. Improvements and G.O. Improvements. Developer
or the contractor completing the work shall be paid the applicable amount set forth in
Exhibits B and C for the T.I.F. Improvements and the G.O. Improvements. Payment to
Developer shall be made based upon the percentage of each item of work satisfactorily
completed as determined in the sole judgment of Department, provided that there shall be
withheld from each such payment an amount equal to 10% of such payment until such time
as 50% of the T.I.F. Improvements and the G.O. Improvements are completed, as the case
may be, and 5% of each such payment thereafter. The retained amount shall be held by the
City or Depositary as the case may be, and shall be paid upon completion of the T.I.F.
Improvements or G.O. Improvements, as the case may be, in accordance with this
Agreement.

11.06 Amount of Payment for Redevelopment Planning and Bond Issuance Costs. City
agrees to pay from the T.I.F. Funds the redevelopment planning and bond issuance costs
set forth in Exhibits B and C upon receipt of statements from the firms and/or individuals
therin listed evidencing that such costs have been paid by the Developer or that such costs
are currently due and owing. Developer represents and warrants that all planning costs
incurred were incurred before December 18, 1986, when the City adopted tax increment
financing and created the Redevelopment Project Area.

11.07 Warranties and Representations. Each request for payment or reimbursement
submitted by Developer or contractor to Department shall have incorporated therein a
warranty by Developer and the contractor that there are no material defects in design,
materials or workmanship and that all construction has been performed in a good and
workmanlike manner in accordance with the plans and specifications relating thereto, and
in compliance with all applicable laws, ordinances and regulations. Notwithstanding the
foregoing. Department may withhold its approval of any request for payment or reimbursement if, and so long as, Developer or contractor is in material default of any related material agreement with the City in connection with the redevelopment or the Shopping Center or any other portion of this Agreement or the Redevelopment Plan.

11.08 Title Insurance. At Developer's expense, Developer shall provide the City with a commitment for an owner's title insurance policy naming the City as insured in a nominal amount covering the portion of the Redevelopment Project Area owned by the City or upon which T.I.F. Improvements or G.O. Improvements are to be constructed. Said commitment shall be later dated at the time of each request for payment or reimbursement.

XII.

Developer's Obligation To Obtain Other Financing.

12.01 Bank Financing. Developer agrees to procure no less than $4,700,000.00 from Bank or another lender acceptable to the City for the construction of the Shopping Center as contained in a loan commitment dated July 15, 1987, or as may otherwise be acceptable to the City.

12.02 U.D.A.G. Financing. Developer agrees to obtain a loan from the City of Chicago in the sum of $935,000, if and when the proceeds of Urban Development Grant No. B-84-AA-17-0257, ("U.D.A.G.") are made available to Developer pursuant to terms acceptable to Developer, the City and the U.S. Department of Housing and Urban Development, for the construction of certain Project improvements.

12.03 Equity Financing. Developer agrees to contribute a minimum in equity funds for the Project as may be required under the U.D.A.G., by the Bank, or as may be necessary to complete the Project.

12.04 Default. Any default under the financing referred to in Sections 12.01 or 12.02 above shall be a material default under this Agreement.

XIII.

Performance.

13.01 Time of the Essence. Time is of the essence of this Agreement.

13.02 Delay. For the purposes of any of the provisions of this Agreement, neither the City nor Developer, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather condition such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or quantity for an abnormal duration, tornadoes or cyclones and other like event or condition beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge the respective obligations hereunder; nor shall either the City or Developer be considered in breach of, or default in its obligations under this Agreement in
the event of any delay resulting from the conduct of any judicial, administrative or legislative proceeding or caused by litigation or proceedings challenging the authority or right of the City to act under the Redevelopment Plan, any of the Ordinances, or perform under this Agreement or challenging the authority of the City to vacate any streets or alleys as herein provided. The City shall diligently contest any such proceedings and any appeals therefrom. The City may settle a contested proceeding at any point, so long as the settlement results in the City's ability to perform pursuant to this Agreement and so long as any such settlement does not impose additional obligations on Developer or increase its obligations under this Agreement. Provided, however, that the party seeking the benefit of the provisions of this Section 13.02 shall, within ten (10) days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof, and requested an extension for the period of the enforced delay.

13.03 No Waiver by Delay. Any delay by either party to this Agreement in instituting or prosecuting any actions or proceedings or otherwise its rights shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the City and the Developer should still hope otherwise to resolve the problems created by the default involved). No waiver in fact made by the City with respect to any specific default by Developer should be considered or treated as a waiver of the rights of the City with respect to any other defaults by Developer or with respect to the particular default except to the extent specifically waived in writing. No waiver in fact made by the Developer with respect to any specific default by City should be considered or treated as a waiver of the rights of the Developer with respect to any other defaults by City or with respect to the particular default except to the extent specifically waived in writing.

13.04 Breach. Upon a breach of this Agreement, either of the parties in any court of competent jurisdiction, by any action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained or may be awarded damages for failure of performance or both. In addition, the City shall have the remedy provided in subsection 13.05 below. Before any failure of any party of this Agreement to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the satisfaction of the complaining party within thirty (30) days of the receipt of such notice; provided, however, with respect to City's obligation to authorize disbursements pursuant to Section 11.04, no breach of this Agreement may be found to have occurred if performance has commenced to the satisfaction of Developer within ten (10) days of the receipt of such notice.

13.05 Right of Entry in the Event of Developer's Default. If prior to completion of the Shopping Center, T.I.F. Improvements and G.O. Improvements (for purposes of this Section, collectively referred to as the "Improvements") as certified by Department:

A. Developer (or successor in interest) shall default in or violate its obligations with respect to the construction of the Improvements (including the nature and the dates for the beginning and completion thereof) or shall abandon or substantially suspend construction work and any such default, violation, abandonment, or suspension shall not be cured, ended, or remedied within three (3) months, (if the default is with
respect to the date for completion of the Improvements) after written demand by Department to do so; or

B. Developer (or successor in interest) fails to pay all Charges when due, or places thereon any encumbrance or lien unauthorized by this Agreement, or suffers any lien or attachment to be made, or any materialmen's or mechanic's lien, or any other unauthorized encumbrance or lien to attach and such Charges shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to Department made for such payment, removal, or discharge, within ninety (90) days after written demand, which by Department to do so; provided, however, such written demand shall not be unreasonably made where Developer has a bonafide dispute respecting the above; or

C. There is, in violation of this Agreement, any transfer of the Property or any part thereof, or any change in the ownership of or interest in Developer or the Trust or with respect to the identity of the parties in control of Developer or the degree thereof, except for syndication of limited partnership interests in the Developer or otherwise provided in this Agreement, and such violation shall not be cured within sixty (60) days after written demand by the City to Developer;

then the City as a method of remedying said default, shall have the right to enter and take possession of the Property and to terminate (and revest in the City) the estates originally conveyed by that certain Quitclaim Deed from the City to Sidney Wanzer and Sons, Inc. (predecessor in interest to Developer) filed in the office of the Cook County Recorder of Deeds as Document Nos. 22759918 and 23064815 and that certain Quitclaim Deed from the City to Western United Dairy Company (predecessor in interest to Developer) dated October 23, 1973 and filed in the aforesaid office on July 3, 1974 as Document No. 22772587 and filed by the Registrar of Deeds as Document No. LR 2761613, it being the intent of this provision, together with other provisions of this Agreement, that the approval by the City of the Ordinances and to the conveyance of the Property by the aforesaid Sidney Wanzer and Sons, Inc. and Western United Dairy Company to Developer shall be made upon, and that Developer shall take title to the Property subject to, the conditions subsequent to the effect that in the event of any default, failure, violation, or other action or inaction by Developer specified in subdivisions (a), (b), and (c) of this subsection 13.05, and Developer fails to remedy, end, or abrogate such default, failure, violation, or other action or inaction, within the period and in the manner stated in such subsection; then the City at its option may declare a termination in favor of the City of the title, and of all the rights and interests in and to the Property conveyed to Developer as successor in interest to Sidney Wanzer and Sons, Inc. and Western United Dairy Company, and that such title and all rights and interests of Developer, and any assigns or successors in interest to and in the Property, shall revert to the City:

Provided, that such entry by the City:

a. Shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement for the protection of the holders of such mortgages; and
b. Shall not apply to individual parts or parcels of the Property (or in the case of parts or parcels leased, the leasehold interest) on which the improvements to be constructed thereon have been completed in accordance with this Agreement and for which a certificate of completion is issued therefor as provided in Section V hereof; and

c. Shall not apply to an Optional Outlot if the Shopping Center, G.O. Improvements and T.I.F. Improvements are completed in accordance with this Agreement; and

d. Shall not apply to a Required Outlot if a Certificate of Completion as to the improvements on such outlots has been issued in accordance with Article V of this Agreement.

13.06 Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the City of title to the Property or any part thereof as provided in subsection 13.05, the City shall, pursuant to its responsibilities under State law, use its best efforts to resell the Property or part thereof (subject to such mortgage liens and leasehold interests as in Section 13.05 set forth and provided) as soon and in such manner as the Department shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan to a qualified and responsible party or parties, as determined by Department, who will assume the obligations of making or completing the improvements or such other improvements as shall be satisfactory to Department and in accordance with the uses specified for such Property or part thereof in the Redevelopment Plan. Upon such resale of the Property, the proceeds thereof shall be applied:

1. First, to reimburse the City for all costs and expenses incurred by the City, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by the City from the Property or part thereof in connection with such management); all Charges, and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership thereof by the City, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the City assessing official) as would have been payable if the Property were not so exempt); and payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of Developer, its assignees, successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing the City by Developer and its successor or transferee; and

2. Second, to reimburse Developer, its assignee, successor or transferee, up to the amount equal to (a) the sum of the purchase price paid by it for the Property (or allocable to the part thereof) and Developer’s cash actually invested in acquisition, zoning, or financing, or in making any of the improvements on the Property or part thereof, including but not limited to legal, zoning, and all other acquisition and financing costs and fees, less (b) any funds or gains or income withdrawn or made by it from or received pursuant to the Agreement or the Property.
Any balance remaining after such reimbursements shall be retained by the City as its Property.

13.07 No Merger Upon Reentry. No provision of this Agreement is intended to or shall be merged by reason of the revisiting of title in the City unless the City records a declaration of intention to cause such a merger.

XIV.

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 arising from or in connection with (i) the failure of Developer to perform its obligations under this Agreement, (ii) the failure of Developer or any contractor to pay contractors, subcontractors, or materialmen in connection with the T.I.F. Improvements, the G.O. Improvements or the Shopping Center, or (iii) material misrepresentation or omission in the offering memorandum or Redevelopment Plan which is the result of information supplied or omitted by the Developer or by agents, employees, contractors, or persons acting under the control or at the request of the Developer, or (iv) the failure of Developer to redress any misrepresentations or omissions in this Agreement or any other agreement relating hereto.

XV.

Insurance.

By execution of this Agreement, the City agrees that the insurance policies presently in force and effect, provided by the Developer as requested by Bank and as to which the City is named as a co-insured are satisfactory to the City under this Agreement.

XVI.

Job Training.

Developer agrees to enter into an agreement with the Mayor’s Office of Employment and Training ("M.E.T.") to cause the development and implementation of a job training program to insure that local citizens are available and trained for jobs created by the Project. M.E.T. shall in turn enter into an Agreement with the Third Ward Partnership to provide said employment and training services. In particular, the agreement shall set forth the rights and obligations of the parties thereto and shall fully disclose the nature of the financial arrangement between the parties including any interest the Third Ward Partnership may have in the Project or in any of the Outlots. The cost for implementing said program is specified in Exhibit B. Developer agrees to incorporate into all tenant leases a requirement that every tenant will use its best efforts to employ residents of the City of Chicago residing in an area bounded by Morgan Street to the west, St. Lawrence Street to the east, 63rd Street to the south, and 43rd Street to the north, at all levels of
employment, from the lowest through the very top management positions within the Shopping Center.

XVII.

Department's Right To Audit Developer's Books And Records.

Developer agrees that Department 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, the T.I.F. Improvements and the G.O. Improvements (including Developer's loan statements, general contractor's sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices) in order to confirm that the T.I.F. Funds and the Corporate Funds are or have been expended for purposes of undertaking the T.I.F. Improvements, G.O. Improvements or other purposes permitted under the Act. Developer further agrees to incorporate Department's right to audit books and records as described herein relating to all contracts entered into by Developer with respect to this Agreement or the Project.

XVIII.

Real Estate Tax.

18.01 Acknowledgement of Taxes. Developer agrees:

(i) that for the purposes of this Agreement the total minimum anticipated assessed value ("Minimum Anticipated Assessed Value") of the respective portions of the Property and the Project are shown on Exhibit I attached hereto and incorporated by reference herein for the years as noted on that Exhibit; and

(ii) that the real estate and sales taxes anticipated to be generated and derived from the respective portions of the Property and the Project pledged from the incremental tax revenues described in the Bond Ordinance are estimated as shown in Exhibit E attached hereto.

18.02 No Exemption. With reference to the assessment of the Property and the Project or any part thereof, neither the Trust nor Developer nor any assignee or transferee of, or successor in interest to, either the Trust or the Developer shall for any year that the Ryan Garfield Tax Increment Redevelopment Area Plan and Project as provided in the Ordinances, as may be amended from time to time, is in effect apply for, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970).

18.03 No Reduction. Neither the Trust nor Developer nor any agent, representative, lessee, tenant, assignee or transferee of, or successor in interest to, either the Trust or Developer shall for any year referred to in Exhibit E attached hereto directly or indirectly, initiate, apply for, or seek to lower the assessed values below the amount of the Minimum Anticipated Assessed Value as shown in Exhibit I while any portion of the T.I.F. Bonds are outstanding.
18.04 No Objections. Neither the Trust nor Developer, nor any agent, representative, lessee, tenant, assignee or transferee of, or successor in interest to, either Developer or the Trust, shall for any year referred to in Exhibit E or for any year that the Ryan Garfield Tax Increment Redevelopment Area Plan and Project is in effect, object to or in any way seek to prevent, on procedural or any other grounds, the filing of any underassessment complaint with, and full participation in all related proceedings before, the Cook County Assessor or the Cook County Board of Appeals, by either the City, or by any taxpayer.

18.05 Understanding of the Parties. The foregoing covenants in subsections 18.02, 18.03 and 18.04 above shall be construed and interpreted as an express agreement by Developer with the City that a major incentive inducing the City to enter into the arrangements and transactions described in this Agreement is to increase the assessed valuation of and the general real estate taxes payable with respect to the Property and Project. This Agreement and the Exhibits attached hereto may be used by the City, in the City’s discretion, as admissions against Developer’s interest in any proceeding.

18.06 Covenants Running with Land. The parties agree that the restrictions contained in this Section 18 are covenants running with the land and a memorandum thereof shall be recorded with the Cook County Recorder of Deeds. These restrictions shall be binding upon Developer, and its agents, representatives, tenants, lessees, successors, assigns or transferees from and after the date hereof; provided, however that the covenants shall be null and void if and when the T.I.F. Bonds have been fully redeemed or paid. The Trust and Developer agree that any sale, conveyance or transfer of title to all or any portion of the Property from and after the date hereof shall be made subject to such covenants and restrictions. The Trust and Developer further agree, that to the extent either of them is obligated to pay any portion of the real estate tax bills for the Property, they shall pay such taxes promptly before the date of delinquency of such tax bills.

XIX.

City Fees.

The City shall be paid a fee of $100,000 out of T.I.F. Funds as a T.I.F. Funded Redevelopment Project Cost to reimburse various departments of the City for the cost of administration and monitoring of the construction of the T.I.F. Improvements, and legal and other expenses incurred by the City with respect to the T.I.F. Improvements. The Department shall be paid a fee of $30,000 out of Corporate Funds as a Corporate Funded Redevelopment Project Cost to reimburse Department for the cost of administration and monitoring of the construction of the G.O. Improvements.

XX.

Restrictions.

Developer agrees for itself, its successors and assigns, and every successor in interest to the Property, or any part thereof, that Developer and its successors and assigns shall:

A. develop the Property in accordance with the uses set forth herein and in the Redevelopment Plan; and
not discriminate upon the basis of race, color, religion, sex or national origin, in the sale, lease or rental, or in the use or occupancy of the Property or any improvements located or to be erected thereon, or any part thereof.

XXI.

Transfers And Encumbrances.

21.01 Prohibition Against Transfers. Prior to the issuance of a certificate of completion for the T.I.F. Improvements, G.O. Improvements and the Shopping Center, neither the Trust nor Developer shall make, create or suffer to be made any sale, transfer, assignment, or conveyance with respect to this Agreement or the Property, or any part thereof or any interest therein except with respect to syndication of limited partnership interests in partners in the Developer, including without limitation, any transfer or assignment of the beneficial interest in the Trust or any part thereof, or contract or agree to do any of the same, without the prior written approval of Department, which approval may be unreasonably withheld, except Developer may mortgage the Property as provided in Section XII and may sell the Outlots in accordance with Section XXII.

21.02 Limitation Upon Encumbrance of Property. Prior to the issuance of a certificate of completion for the T.I.F. Improvements, G.O. Improvements and the Shopping Center, neither Developer, the Trust nor any successor in interest to the Property or the beneficial interest in the Trust shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Property, except as specifically permitted in this Agreement.

XXII.

Sale Of Outlots.

It is understood and agreed by the parties that Developer desires to sell each of the Required and Optional Outlots for individual development by their respective purchasers as retail establishments. The City is willing to agree to consent to such Outlot sales provided that Developer complies with the following procedures:

A. At least twenty-one (21) days prior to any contemplated sale, Developer shall furnish to the City copies of the proposed sales contract, an economic disclosure and financial statement for the proposed purchaser and or detailed description of the proposed Purchaser's Development of the Outlot and such other documentation as Department may reasonably request. Department shall have the right to approve both the prospective purchaser and the proposed development of the Outlot, which approval shall not be unreasonably withheld. If Department does not approve of either the proposed purchaser or the proposed development, Department shall notify Developer within said twenty-one (21) day period in writing specifically identifying objections to said plan.

B. Each conveyance of an Outlot shall be expressly subject to the terms, covenants and conditions of this Agreement including, without limitation, Developer's obligation
hereunder to construct improvements thereon as described in Exhibits G and H and Developer's covenants regarding Real Estate Tax set forth in Section XVIII.

C. Prior to the conveyance of an Outlet for which no certificate of completion has been issued, Developer and the City shall enter into an escrow agreement ("Escrow Agreement") with an escrowee mutually agreeable to both parties hereto providing that upon Department's sole direction, the Net Profit (as hereinafter defined) from the sale of such Outlet shall be released to Developer upon the issuance of a certificate of completion for the improvements to be developed on the Outlet. If the Outlet is not developed as proposed and approved within thirty-six (36) months after the sale, Developer, within such thirty-six (36) month period, the City shall give the Developer a three (3) month notice period during which Developer shall have the right to develop said Outlet or to develop a plan for submission to Department for expending the Net Profits (and interest earned thereon) for a purpose in accordance with the Redevelopment Plan. If the Department does not approve such plan, the City shall inform the Developer in writing stating specific objections to said plan. Developer shall have three (3) months to submit a revised plan for expending the Net Profits. If City does not approve such revised plan, City may disburse the Net Profit to City. However, the Parties agree that it is the preference of City to use net Net Profits derived from the Project to support and enhance the Project. Therefore, City will make a good faith effort to work with Developer in developing an acceptable plan whereby Net Profits shall be invested in the Project and shall be disbursed to City solely as a last resort.

D. Upon conveyance of an Outlet, any Net Profit derived from the sale shall be deposited into the Escrow Account to be held as provided in subparagraph C above. Simultaneously with the closing of such sale, Developer shall furnish Department with an affidavit setting forth the amount it believes is its Net Profit as hereinafter defined and the calculation thereof together with all evidence necessary to back up its expenditures. The Department shall have the right to audit such calculations and shall have the sole right to determine the amount of Net Profit.

As used herein "Net Profit" shall mean the difference between (1) Developer's purchase price, (exclusive of T.I.F. and G.O. moneys), of an Outlet, as computed on a gross square foot basis in proportion to the purchase price of the Property as a whole, including any costs reasonably necessary to acquire and hold said Outlet including, for example, financing costs, interest costs, legal fees, title costs, and survey work ("Costs"), and (2) the sale price of said Outlet, less any Costs reasonably incurred in connection therewith. Broker's commissions and fees to individuals actually brokering a transaction shall be permitted as Costs if said commissions and fees are paid in an amount customarily paid in the brokerage industry. The City hereby agrees it has approved the sale of three of the Outlets as described herein: (a) The Developer may sell Outlet as shown on the Site Plan to Shell Oil Company for the development of a Shell gasoline and service station. The Developer shall receive its costs upon the closing of the sale and the Net Profits shall be held in Escrow as described herein. (b) The Developer may sell Outlet as shown on the Site Plan to the Third Ward Partnership at Developer's cost as defined herein. (c) The Developer shall sell Outlots 27, 28, 29, 30 and 34 as shown on the Site Plan to the Ryan Center Limited Partnership II, an Illinois Limited Partnership (R.C.L.P. II) of which the general partner of the Developer is also the general partner. The Developer has agreed to give the Third Ward Partnership 45% of the profits derived from the sale of these Outlots which the Third Ward will re-invest in the Shopping Center as a limited partner. Therefore, the City agrees
that for the purpose of determining "Costs" and "Net Profits" as related to the R.C.L.P II Outlots, the value of the interest being assigned to the Third Ward, as determined by an independent appraiser, shall be included as a Developer's Cost.

**XXIII.**

*Covenants Running With The Land.*

It is intended and agreed, that except as otherwise provided, all covenants provided in this Agreement on the part of the Trust or Developer to be performed or observed shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by the City, and any successor in interest to the Property, or any part thereof, and the owner of any other land (or of any interest in such land) in the Redevelopment Project Area which is subject to the land use requirements and restrictions of the Redevelopment Plan.

**XXIV.**

*Amendment.*

This Agreement, and any exhibits attached hereto, may be amended only by the mutual consent of the parties by the adoption of an ordinance or resolution of the City approving said amendment, as provided by law, and by the execution of said amendment by the parties or their successors in interest.

**XXV.**

*No Other Agreements.*

Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties.

**XXVI.**

*Previous Agreements.*

Except as herein provided, this Agreement expressly abrogates the Redevelopment Agreements between City of Chicago and Sydney Wanzer & Sons, Inc. and known as "Contract 358 for sale of land for private redevelopment" and the Redevelopment Agreement between the City of Chicago and Western United Dairy known as "Contract No. 417 for sale of land for private redevelopment" (the "Prior Redevelopment Agreements"). Except as herein provided, the Agreement further expressly releases on behalf of the City the restrictions on the redevelopment project area contained in a quitclaim deed from the City of Chicago to Sydney Wanzer & Sons, Inc., recorded June 24, 1974 and April 29, 1975 as Documents 22759918 and 23064615, respectively and contained in a quitclaim deed from the City of Chicago to Western United Dairy Company dated October 23, 1973 and recorded July 3, 1974 as Document 22772587 and filed as LR2761613 ("Quitclaim Deeds"). Notwithstanding the foregoing, the provisions of the Prior Redevelopment Agreements and Quitclaim Deeds regarding the City's right to reentry, revesting and reconveyance of title
in the City shall continue in full force and effect amended only to provide that the provisions of this Agreement shall be substituted for the provisions of the Prior Redevelopment Agreements.

XXVII.

Conflict Of Interest: City's Representatives
Not Individually Liable.

No member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement; or shall any such member, official, or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is directly or indirectly interested. No member, official, or employee of the City shall be personally liable to 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 Developer or any successor in interest or on any obligation under the terms of this Agreement.

XXVIII.

Consent Or Approval.

Except as otherwise provided in this Agreement, whenever herein consent or approval of either party is required, such consent or approval shall not be unreasonably withheld.

XXIX.


29.01 Developer, for itself and its successors, assigns, contractors, subcontractors, tenants and lessees, agrees that so long as any T.I.F. Bonds remain outstanding:

A. Developer will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. Developer will take affirmative action to ensure that applicants are employed and employees are treated during employment without regard to their race, religion, color, sex or national origin. Such action shall include, but not be limited to the following: 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. Developer 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.

B. To the greatest extent feasible, Developer is required to present opportunities for training and employment that are to be given to lower income residents of the project area, hereby defined as the City of Chicago; and that contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of project.
C. In order to promote equality of opportunity for minority and female personnel on this project, the following percentage goals of construction aggregated work hours in each of the categories of (i) construction journeymen and apprentices shall apply: At least 50% by minorities and women; and (ii) aggregated work hours in operations and maintenance shall be __________.

D. All construction workers covered by this Agreement shall mean skilled construction workers which include all worksite (working) foremen, journeymen, apprentices, trainees, and helpers where applicable.

E. Developer, in order to demonstrate compliance with the terms of this Agreement, will cooperate with the City of Chicago, Mayor’s Office of Employment and Training, which has the responsibility to observe and report compliance with equal opportunity regulations of federal, state and municipal agencies.

F. Developer will, in all solicitations or advertisements for employees placed by or on behalf of Developer, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex or national origin.

G. Developer will include the provisions of paragraphs (A), (B), (C), (D), (E), and (F) in every contract, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors, and every lease or sublease so that such provision will be binding upon each such contractor, or sub- contractor, tenant or subtenant as the case may be. Failure to comply with these provisions will be a basis to institute remedies under the provision of Section XIII of this Agreement. For purposes of this Section XXIX, the term Developer shall be deemed to include Developer’s successors, assigns, contractors, subcontractors, tenants and lessees.

XXX.

Mutual Assistance.

The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

XXXI.

Miscellaneous Provisions.

31.01 Definition of "Developer" to include the Trust. It is the intention of the parties that the word "Developer" as found herein shall be construed to include the Trust as well.

31.02 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of such party unless specifically so provided herein.
31.03 Disclaimer. Nothing contained in this Agreement nor any act of the City, shall be
deemed or construed by any of the parties, or by 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.

31.04 Notices. All notices, certificates, approvals, consents or other communications
desired or required to be given hereunder shall be in writing and shall be sufficiently given
on the second day following the day on which the same shall have been mailed by
registered or certified mail, postage and fees prepaid, return receipt requested addressed as
follows:

If To City:

City of Chicago
Department of Economic Development
20 North Clark Street
Chicago, Illinois 60602
Attention: Commissioner

With Copies To:

City of Chicago
Department of Economic Development
Capital Improvement Division
Room 6A
510 North Peshtigo Court
Chicago, Illinois 60611

City of Chicago
Department of Law
Room 511, City Hall
121 North LaSalle Street
Chicago, Illinois 60602

If To Developer:

Ryan Center Limited Partnership I
c/o Barry Kreisler
President
Matanky Realty Group, Incorporated
1901 North Halsted Street
Chicago, Illinois 60614

With Copies To:

Samuel J. Polsky & Associates
1216 North LaSalle Street
Chicago, Illinois 60610
The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent.

31.05 Paragraph Headings. The paragraph headings and references are for the convenience of the parties and are not intended to limit, vary, define or expand the terms and provisions contained in this Agreement and shall not be used to interpret or construe the terms and provisions of this Agreement.

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

31.07 Recordation of Agreement. The parties agree to execute and deliver the original of this Agreement in proper form for recording and/or indexing in the appropriate land or governmental records.

31.08 Successors and Assignees. The terms and conditions of this Agreement are to apply to and bind the successors and assignees of the City and the successors and assigns of Developer and the Trust.

In Witness Whereof, the parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

[Signature forms omitted for printing purposes.]

STATE OF ILLINOIS )
 ) SS.
COUNTY OF COOK )

I,_________________________, a Notary Public in and for the County and State aforesaid, do hereby certify that ______________________ and ______________________, personally known to me to be the general partners of Matanky Partners XXIX, an Illinois general partnership, is also the general partner of Ryan Center Limited Partnership, I, an Illinois limited partnership, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledge that they signed said instrument as their free voluntary act as the free and voluntary act of said partnership for the uses and purposes therein set forth.

Given under my hand and notarial seal this ______ day of ________________, 1987.

______________________________

Notary Public

My Commission expires: ________________________________
STATE OF ILLINOIS )
COUNTY OF COOK )

I, ____________________, a Notary Public in and for said County, in the State aforesaid, do hereby certify that ____________________, ____________________ President and ____________________, ____________________ Secretary of Devon Bank and Trustee under Trust Agreement dated and known as Trust Number 5350, a National Banking Association and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and being ____________________ President and ____________________ Secretary, they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said National Banking Association, for the uses and purposes therein set forth; and the said Secretary, as custodian of the corporate seal of said National Banking Association caused the corporate seal of said National Banking Association to be affixed to said instrument as said Secretary's own free and voluntary act and as the free and voluntary act of said National Banking Association for the uses and purposes therein set forth.

Given under my hand and notarial seal this ______ day of ______________, 1987.

________________________________________
Notary Public

(SEAL)

My Commission expires: ________________________

Exhibits A, B, C, D and E read as follows:

Exhibit A.

Ryan Garfield Community Redevelopment Project Area
Legal Description.

A tract of land in the Southeast quarter of Section 9, Township 38 North, Range 14 East of the Third Principal Meridian, in the City of Chicago, County of Cook, Illinois, bounded by a line as follows:

Beginning at the point of the convergence of the center line of the east-west alley as extended lying south of West 53rd Street, and the west line of South Wentworth Avenue; thence east along the center line of said east-west alley to the west line of the right-of-way
of the Chicago, Rock Island and Pacific Railroad; thence south along said line to the southerly line of West Garfield Boulevard; thence west along the southerly line of West Garfield Boulevard to the west line of South Wentworth Avenue; thence north on west line of South Wentworth Avenue to the point of beginning.

**Exhibit B.**

*Tax Increment Financing (T.I.F.) Improvements.*

1. **Excavation:** removal of foundations of homes to be dedicated to City  
   - $180,000.00
2. **Demolition of building to be dedicated to City**  
   - $20,000.00
3. **Removal of City debris on site**  
   - $11,500.00
4. **Removal of old dairy foundations and abandoned pipes to be dedicated to the City**  
   - $28,000.00
5. **City right-of-way improvements**
   - Sidewalks  
     - 30,000.00
   - Curb cuts and entries  
     - 65,000.00
   - Median cut of Garfield Boulevard  
     - 85,000.00
   - Median landscaping  
     - 20,000.00
   - Traffic lights on Garfield Boulevard  
     - 120,000.00
   - Resurfacing of Wentworth Avenue  
     - 50,000.00
   - **Total City Right-Of-way Improvements**  
     - $370,000.00
6. **Improvements to City-owned water system**
   - Watermain, 12" DIP Cl.52  
     - 25,000.00
   - Watermain, 6" DIP Cl.52  
     - 8,200.00
   - 12" pressure conn. in vault w/fr. and gr.  
     - 7,000.00
   - 12" valve in 60" vault w/fr.
9/9/87 REPORTS OF COMMITTEES 3157

and gr. 6,248.00

Fire hydrant w/aux. valve and box 11,200.00

Cast iron fittings 11,053.00

Total City-Owned Water System Improvements $68,701.00

7. Improvements to City-owned sewer system

Storm sewer, 12" RCP 19,685.00
Storm sewer, 15" RCP 10,125.00
Storm sewer, 18" RCP 26,500.00
Storm manhole, 60" dia. w/fr. and gr. 17,000.00
Storm manhole, 48" dia. w/fr. and gr. 15,000.00
Trench backfill, 24,000.00

Total City Owned Sewer System Improvements $112,310.00

6. Relocation of light poles $20,000.00
7. Parking meter relocation $8,000.00
8. Job training program $135,000.00

Exhibit C.

Corporate Fund Improvements.

1. Excavation: filling, grading and compacting $180,000.00
2. Utilities (private use portion):
   Water service line, 1 1/2" copper 19,650.00
   6" valve in 48" vault w/fr. and gr. 8,883.00
Trench backfill 6,052.00
Storm sewer roof drains 4" DIP 12,900.00
Storm sewer 8" DIP 15,750.00
Storm sewer 8" RCP 2,475.00
Storm sewer 10" RCP 51,310.00
Catch basins, T-A, 48" dia. w/fr. and gr. 18,200.00
Inlets T-A, 24" dia. w/fr. and gr. 12,600.00
Sanitary sewer connection to MH 11,800.00
Sanitary sewer, 8" VCP 32,760.00
Sanitary sewer, 4" VCP 5,890.00
Manhole, 48" dia. w/fr. and gr. 7,000.00
Trench backfill 11,750.00

Total Utilities For Private Use $217,020.00

3. Security costs (Permanent):

Ornamental 130,000.00
Gates 32,000.00
Railroad chain link 13,200.00
Security observatories and equipment 95,000.00
Special security lighting 135,000.00

Total Permanent Security System Cost $405,000.00

4. Security costs (Construction):

Construction lighting 9,000.00

Construction security (24 hour guards)

3-8 hour shifts daily for 4/man/shift
during construction period of 9 months
or $4 x 8 x 3 x 270 for 25,290 hours

@ $3.93 per hour 102,000.00

Supervisor of Project Coordinator of Security
3-8 hour shifts daily for construction
period of 9 months, or, 6,480 hours

@ $10.49/hour 68,000.00

Construction security fencing 14,348.00
Exterior security lights—fixtures only 43,800.00
Contingencies: security risks 50,000.00

Exhibit D.

Legal Description Of Property.

1. Parcel 3-C: Lots 1 Through 20 In Block 4 Together With The Vacated 12-Foot North-South Alleys (2) Extending Through Said Block 4 and East And Adjoining Said Block 4 (Excepting Respective, The South One Foot Of Lot 19, The South One Foot Of The West 1.46 Feet Of Lot 20 And The South One Foot Of The 12-Foot Alley Adjacent To Said Lots 19 And 20) All In Peter Shimp's Subdivision Of That Part Of The Southeast 1/4 Of The Southeast 1/4 Of Section 9, Township 38 North, Range 14, East Of The Third Principal Meridian, Lying West Of The Rock Island Railroad.

Also

The Vacated Portion Of West 54th Street, Described As The East 112 Feet Of West 54th Street (Except The West One Foot Of The North 1/2 Of Said East 112 Feet Of West 54th Street) Lying Between The East Line Of South LaSalle Street And The Chicago, Rock Island And Pacific Railroad Right-Of-Way As Vacated By Ordinance Passed February 5, 1912 And Recorded March 25, 1912 As Document 4934289.

3. Parcel 2A: Lots In Block 6

Lots 1, 2, 3, 4, 14, 15, 18 And Lot 6 (Except The South 6 Feet Of Said Lot 6 And Except The West 7 Feet Of Said Lots 2, 3, 14, 15, 18 And Lot 6 As Described) All In Block 6 In Peter Shimp's Subdivision Of That Part Of The Southeast 1/4 Of Section 9, Township 38 North, Range 14, East Of The Third Principal Meridian, Lying West Of The Rock Island Railroad.
Lots 1 Through 12 (Except The West 7 Feet Of Lots 1, 2, 3 And 4) In Bowes' Subdivision Of Lot 5, The South 6 Feet Of Lot 6, Lots 7, 8, 9, 10, 11, 12, 13, 16 And 17 In Block 6 In Peter Shimp's Subdivision Aforesaid.

Excepting However, The East One Foot Of Lots 1 And 4 In Block 6 In Peter Shimp's Subdivision As Aforesaid, Abutting The West Line Of LaSalle Street And Lots 5 To 12 In Bowes Resubdivision Of Block 6 As Aforesaid, Abutting The West Line Of LaSalle Street, And The East One Foot Abutting The West Side Of LaSalle Street Of The Alley South And Abutting Block 6 As Aforesaid.

Lots In Block 7:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 18 And Lot 9 (Except The South 1 Foot Of Lot 9 And Except The West 7 Feet Of Said Lots 2, 3, 6, 7, 10, 11, 14, 15 And 18) All In Block 7 In Peter Shimp's Subdivision Of That Part Of The Southeast 1/4 Of The Southeast 1/4 Of Section 9, Township 38 North, Range 14, East Of The Third Principal Meridian, Lying West Of The Rock Island Railroad.

Also

Lots 1, 2, And 3 And The Private Alley North Of And Adjoining Said Lots 1, 2, And 3 In Bowes And Cruikshank's Subdivision Of Lots 12, 13, 16 And 17 And The South 1 Foot Of Lot 9 In Block 7 In Peter Shimp's Subdivision, Aforesaid.

Alleys: All Of The 12-Foot Alley Extending North And South Through Blocks 6 And 7 In Peter Shimp's Subdivision, Aforesaid, Also The East And West L6 Foot Alley Lying South Of And Adjoining Block 6 And North Of And Adjoining Block 7 In Peter Shimp's Subdivision, Aforesaid.

Except The East One Foot Abutting The West Line Of LaSalle Street Of Lots 1, 4, 5, 8, And 9 In Block 7, As Aforesaid And Except The East One Foot Abutting The West Line Of LaSalle Street Of Lots 1, 2, And 3 And The Private Alley North And Abutting In Bowes And Cruikshank's Subdivision As Aforesaid.

Exhibit E.

Projected Real Estate And Sales Tax Increment.

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<th>Year</th>
<th>Anticipated Real Estate Tax Revenue (1)</th>
<th>1.00% Sales Tax (2)</th>
<th>% Occupancy</th>
<th>Total Real Estate And Sales Tax Revenue</th>
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<td>1.00% Sales Tax (2)</td>
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<td>80.00%</td>
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</table>

1. Reflects a fixed dollar amount for real estate tax the developer will covenant not to contest taxes below $190,000, therefore $190,000 less $15,000 existing real estate taxes = $175,000.

2. Reflects 1.00% sales tax based on $245.00 of sales per square foot using 95,000 square feet at the given occupancy.

[Exhibits F and G printed on pages 3163 through 3169 of this Journal.]
Exhibits H and I read as follows:

Exhibit H.

Garfield Plaza/Urban Development Action Grant
Application Addendum.

This addendum is submitted to update and clarify information submitted by the City of Chicago in a U.D.A.G. application for the Garfield Plaza Shopping Center.

The Site Plan.

Garfield Plaza will consist of 99,550 square feet of retail shopping space including the main building which will be comprised of 82,400 square feet of retail space, and an additional 17 retail outlets, comprising 17,150 square feet. A revised site plan is attached hereto as Exhibit 1.

The Neighborhood.

Garfield Plaza will be located on a ten acre site in one of the poorest neighborhoods in Chicago. The site is bounded by the Dan Ryan Expressway to the west, and Robert Taylor Homes to the east. Robert Taylor is a massive (and near infamous) Chicago Housing Authority complex which houses thousands of families well below the poverty level. A recent photograph published in the Chicago Tribune illustrates the proximity of Garfield Plaza to the Robert Taylor housing project. (Exhibit 2)

Data from the 1980 censuses demonstrates the extreme poverty of the project area: 43% of the population is below the poverty level; the median family income for the three census areas surrounding Garfield Plaza was $8,633; and less than 18% of the population completed high school. Juxtaposing these indices with a more affluent community such as the Lincoln Park neighborhood accentuates the poverty of the Garfield Plaza area. In Lincoln Park, the median family income was $24,508; only 13% of the population is below the poverty level; and nearly 60% of the population have completed high school.

In addition to its acute poverty level, the neighborhood is also well known for its high rate of crime. By way of demonstration, during a recent press conference convened to announce the project, all of the chairs which had been rented for the occasion were stolen.

The neighborhood has been economically at a steady rate. Commercial developers have little motivation to move into the area; this is probably best demonstrated by the fact that this 10 acre site, located on one of the most travelled expressways in Chicago, has sat vacant for over ten years when it should have been a coveted site for commercial development.

(Continued on page 3170)
PROPERTY LINE MAP AND RIGHT-OF-WAY ADJUSTMENT

LEGEND:

- - - - - - PLANNED DEVELOPMENT BOUNDARY

STREETS AND ALLEYS HERETOFORE VACATED

STREETS AND ALLEYS TO BE VACATED

APPLICANT: MATANKY REALTY ACQUISITION CORPORATION
AND THE THIRD WARD PARTNERSHIP, LTD.

DATE: OCTOBER 27, 1986

REVISED: DECEMBER 11, 1986

EXHIBIT F
The Developer of Garfield Plaza has agreed to take the risks involved in developing this site into a substantial commercial project. However, without significant public assistance the risks inherent in developing Garfield Plaza would become untenable.

Project Costs.

In the original application, the total development costs of Garfield Plaza were projected to be $6,126,048. This projection was based on several assumptions which have since changed; the expected project costs will now exceed $8,000,000. In addition, some of the costs projected in the original application were unclear and are therefore explained herein.

Garfield Plaza is being financed in part through the sale of land which will be used as outlots. The Developer will acquire the ten acre site upon which the shopping center will be built and will then sell each outlot as a separate site to individual users. This is necessary to raise equity for this project. Because of the location of this project, syndication is not a viable alternative for raising equity. Therefore, the equity for this project will be generated in part by the sale of land to individual users to develop as outlots.

As reflected in the contract for purchase (see Exhibit 4 of the U.D.A.G. application), the land upon which Garfield Plaza is being constructed will cost $915,000; however, only $561,048 is reflected in the application for land costs. The total cost of the land was not included as a project cost because of the anticipated sale of portions of the land as outlots. Accordingly, U.D.A.G. funds will not be used to develop these portions of the project and as a result, only a pro rata share of the land cost was included in the application. The pro rata share included reflects the percentage of the land which will be used for the main shopping plaza and will therefore benefit from U.D.A.G.

An application for tax increment financing (T.I.F.) was submitted to the City of Chicago for an amount ranging from 1.5-3.5 million dollars for public improvements necessary to develop this project. At the time the original U.D.A.G. application was submitted, specific improvements and costs had not been identified. As a result, the project costs to be supported by T.I.F. as reflected in the original application were estimated to be approximately $1,500,000.

Subsequent to the submission of the U.D.A.G. application by the City of Chicago to H.U.D., specific improvements and costs were identified; the actual costs of T.I.F. eligible improvements total $2,393,200, not including soft costs such as bond counsel, planning consultants, financing fees, etc. (Exhibit 3). A T.I.F. in excess of $3,000,000 (including soft costs such as capitalized interest) has been requested to support this project. (Exhibit 4)

Leasing.

Letters of intent have been received for 90% of the project. Garfield Plaza will be anchored by a discount store of 22,000 square feet (marked as discount store on Exhibit 1) and a grocery store consisting of 9,800 square feet. A liquor store and drug store chain have each expressed an intention to locate in Garfield Plaza. As is usually the custom, specific leases
will not be signed until construction has begun. In addition, economically viable leasing rates are totally dependent upon achieving the necessary level of public financial support.

The location of Garfield Plaza will require security systems which are unusual for a shopping center. For example, additional lighting will be required along with high fences once the center is opened. During the construction period, a guard will be required to keep watch over the construction site and equipment. Assistance in providing for security has been requested as part of the T.I.F. proposal. However, even with T.I.F. assistance, security requirements will make ongoing costs exceed $2.00 per square foot. Because of these unusually high operating costs, lower triple net rents will be realized.

The Partnership.

In addition to its location, this project is also unique because of the level of community involvement. Garfield Plaza is being developed in conjunction with a group known as the Third Ward Partnership (the "Partnership"). The Partnership was organized by the Alderman of Chicago's third ward (the ward in which Garfield Plaza is located) as a not-for-profit business advisory group to devise incentives and strategies for attracting private enterprise into the neighborhood.

The Third Ward Partnership is incorporated as an Illinois not-for-profit corporation. The Partnership's board of directors consists of individuals who operate businesses within Chicago's third ward; no director is paid a salary for his or her serving as a director. (Exhibit 5)

The Partnership will receive 45% of the profit of the sale of one of the outlots of Garfield Plaza (Building No. 1 on site plan attached as Exhibit 1). In turn, the Partnership will invest the proceeds of the sale back into Garfield as a limited partner. In addition, the Partnership will have the right to purchase an additional outlet (Building 7 on the site plan) at the per square foot cost of the land to be developed by the Partnership through a local business.

Impact.

As part of the overall concept of Garfield Plaza, the Developer and the Partnership have built in various development benefits for the community. As a part of the T.I.F. proposal, a job training program will be established to train local citizens to apply for and keep a job. All leases negotiated with tenants of Garfield Plaza will require that local citizens be hired whenever feasible. Local merchants will be given leasing preferences for smaller stores within the Plaza.

Garfield Plaza will have a significant positive impact on a impoverished Chicago neighborhood. As a recent Chicago Tribune editorial summed it up, Garfield Plaza "promises to infuse much-needed investment, commercial activity and jobs into one of the poorest neighborhoods in Chicago." (Exhibit 6)

Exhibit I.
### Minimum Anticipated Assessed Valuation.

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<tr>
<th>Year</th>
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<th>Tax Rate</th>
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Urban Development Action Grant Redevelopment Agreement attached to this redevelopment agreement reads as follows:

Urban Development Action Grant Redevelopment Agreement.
(55th And Wentworth Project)

Agreement made in Chicago, Illinois, as of the ______ day of ________, 1987, among the City of Chicago, Illinois (the "City"), by and through the Department of Economic Development ("D.E.D."), Ryan Center Limited Partnership I, an Illinois limited partnership ("Developer") and Devon Bank and Trust Company, ("Trustee") not personally, but solely as Trustee under Trust Agreement dated May 1, 1987 and known as Trust No. 5350 ("Trust"). The Developer and the Trustee are sometimes referred to in this Agreement as the "Borrower".

Recitals:

1. Developer intends to develop a shopping center as further described below ("Project") including buildings and improvements (and outlots), on a 10-acre parcel of real property generally bounded by Wentworth Avenue on the west, the Rock Island Railroad tracks on the east, an east-west alley on the north, and Garfield Boulevard on the south, which parcel is legally described in Schedule 1 attached hereto and incorporated herein by this reference.

2. On July 29, 1986, the City Council of the City of Chicago adopted an ordinance which authorized the submission of an application ("Application") by D.E.D., on behalf of the City, for an Urban Development Action Grant ("U.D.A.G.") for the Project to the United States Department of Housing and Urban Development ("H.U.D.").

3. D.E.D. has made an Application to H.U.D. for a U.D.A.G. for the project; and

4. In response to said Application, H.U.D. has preliminarily approved U.D.A.G. Grant No. B-84-AA-17-0257 (the "U.D.A.G. Grant"), which provides that $935,000.00 may be loaned by the City to Borrower for the Project.

5. Borrower desires to borrow said amount from the City, and the City is willing, subject to the terms and conditions herein, to lend said amount to Borrower.

In Consideration of the parties entering into the Agreement, and agreeing to perform their respective obligations as set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Borrower agree as follows:

Section 1. Incorporation Of Recitals, Exhibits And Schedules.

The foregoing Recitals, and the attached Exhibits A through E, and the attached Schedule 1 are incorporated into and made a part of this Agreement by this reference.
Section 2. Definitions.

In addition to terms defined elsewhere in this Agreement, the following definitions will apply, unless the context clearly indicates a different meaning:

"Bond Purchaser" shall mean Prudential-Bache Capital Funding, as purchaser of the Bonds.

"Bond" or "Bonds" shall mean the bond or bonds issued pursuant to the T.I.F. Financing.

"Borrower's Liabilities" shall mean all obligations and liabilities of Borrower to City (including without limitation all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise heretofore, now and/or from time to time hereafter owing, due or payable, however created, incurred, acquired or owing and however evidenced, under this Agreement.

"Charges" shall mean charges, taxes, levies, assessments, liens, claims and/or encumbrances of all national, federal, state, county, city, municipal and/or other governmental entity (or any instrumentality, division, agency, body or department thereof), or non-governmental claims or liens upon and/or relating to the "Collateral" (hereinafter defined), Borrower's Liabilities, Borrower's business, Borrower's ownership and/or use of any of its assets, and/or Borrower's income and/or gross receipts.

"Collateral" shall mean those assets of Borrower (individually or collectively), now owned or hereafter acquired including all real property, fixtures and Non-Real Collateral (defined as all personal property secured hereunder, now owned or hereafter acquired) in which Borrower has granted Lender a security interest as set forth in this Agreement or in any of the other Loan Documents as security for the Loan.

"Countable Private Funds" shall have the meaning ascribed to it in Exhibit C hereto.

"Cure Period" shall have the meaning ascribed to it in Section 9.4.

"Financials" shall mean those financial statements provided to D.E.D. at the time of application for the Loan and financial statements hereinafter provided to D.E.D. pursuant to the terms of this Agreement.

"Financing Statements" shall mean those referred to in Exhibit B, Section 3(b).

"Grant Agreement" shall mean U.D.A.G. Grant Agreement No. B-84-AA-17-0257, between the City and the Secretary.

"Guaranty" shall mean that certain Guaranty of completion and repayment of the loan during the construction period made to the City by the Borrower of even date herewith.

"H.U.D." shall mean the United States Department of Housing and Urban Development.
"Loan" shall mean the sum of not to exceed $935,000.00 of U.D.A.G. proceeds to be loaned to Borrower, pursuant to the U.D.A.G. Grant.

"Loan Documents" shall mean this Agreement, the Mortgage, the Note, the Financing Statements, the Guaranty, the Security Agreement and any other documents required by the City in connection with the Loan.

"Mortgage" shall mean that certain Junior Mortgage, Assignment of Rents and Security Agreement between the Borrower and the City of even date herewith.

"Non-Real Collateral" shall have the meaning ascribed to it above.

"Note" shall mean that certain Promissory Note made unto the City by the Borrower, of even date herewith.

"Property" shall mean that certain real estate described in Schedule 1 hereto, and all buildings, facilities, structures and fixtures now existing or hereafter erected thereon.

"Project" shall mean all authorized activities of Borrower in constructing, developing and equipping the Property as a shopping center (with outlots) consistent with the U.D.A.G. Grant Agreement and this Agreement.

"Project Elements" shall mean Project Element A and Project Element B.

"Project Element A" shall mean the acquisition and construction of the Property of an approximately 95,000 square foot shopping center.

"Project Element B" shall mean public site improvements associated with Project Element A including sewer, water, paving and security measures and other costs which comprise the T.I.F. Financing.

"Secretary" shall mean the Secretary of the United States Department of Housing and Urban Development.

"Security Agreement" shall mean that certain Security Agreement between the Borrower and the City of even date herewith.

"Senior Lender" shall mean Boulevard Bank of Chicago, N.A. in connection with its loan to Borrower for the Project, not to exceed $4,700,000.

"Senior Financing" shall mean the loans of the Senior Lender or permitted replacement of thereof, plus accrued and unpaid interest, plus additional amounts actually advanced upon a failure of Borrower to perform its respective obligations under such loans.

Section 3. Loan.

The City shall make a loan to Borrower and Borrower shall borrow from the City an amount and upon terms and conditions as set forth in Agreement.

Section 4. Borrower's Covenants.

Borrower represents, covenants, and warrants to City as follows:

4.1 Borrower shall be governed, adhere to and obey any and all applicable federal, state and local laws, statutes, ordinances, rules, regulations and executive orders as may be in effect from time to time during the term of this Agreement.

4.2 Borrower shall proceed diligently to carry out the Project in accordance with this Agreement.

4.3 Borrower shall use its best efforts to create or cause to be created in connection with tenant occupancy and utilization of the Property, within 48 months after the date of preliminary approval of the project, 174 permanent jobs, of which 87 will be for low and moderate income persons, 44 will be for C.E.T.A.-eligible persons, and 131 will be for minority persons, and agrees to provide to the City and to H.U.D. any reasonably requested data and information as to jobs.

4.4 Borrower shall provide the evidence of private financing and investment set forth in Exhibit _____.

4.5 Borrower shall abide by all applicable terms and conditions of the Grant Agreement, as amended from time to time, and the same is expressly incorporated herein by this reference.

4.6 (a) Borrower is now duly organized and existing and in good standing under the laws of the State of Illinois, and qualified or licensed to do business in Illinois and in any and all other states in which the laws thereof require Borrower to be so qualified and/or licensed; (b) Borrower has the right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement; (c) the execution, delivery and performance by Borrower of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in any instrument or document to which Borrower is now a party or by which it is bound; (d) Borrower has good, indefeasible and merchantable title to and ownership of the Collateral free and clear of all liens, claims, security interests and encumbrances except those expressly permitted under this Agreement and those exceptions to title as approved by the City; (e) Borrower is now solvent and able to pay its debts as they mature; (f) there are no actions or proceedings which are pending or threatened against Borrower (except as may be set forth in Borrower's application for the Loan), which might result in any material and adverse change to Borrower's financial condition, or materially affect Borrower's assets or the Collateral as of the date of this Agreement; (g) Borrower has, and is in good standing with respect to, all government permits, certificates, consents (including, without limitation, appropriate environmental clearances and approvals) and
franchises necessary to continue to conduct its business, and to own or lease and operate its properties (including but not limited to the Property) as now owned or leased by it; (h) Borrower is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement relating to the borrowing of monies to which it is a party or by which it is bound; (i) the Financials fairly and accurately present the assets, liabilities and financial conditions and results of operations of Borrower as of the dates of the Financials; and (j) there has been no material and/or adverse change in the assets, liabilities or financial condition of Borrower since the dates of the aforesaid Financials other than as a result of the Loan, the Senior Financing or the T.I.F. Financing.

4.7 Borrower shall cause all current outstanding loans and/or liens to be subordinated to this Loan if such subordination is necessary to assure that the City occupies no less than a second secured lien position on all of the Collateral. Borrower shall furnish the City documents satisfactory to the City which evidence Borrower's compliance with this paragraph prior to disbursement of Loan proceeds.

4.8 Borrower shall not, without the City's prior written consent thereto, which the City may or may not give in its sole discretion, concurrently or hereafter, except as permitted under this Agreement, (a) permit, grant or suffer a security interest in any of the Collateral to any person, or permit, grant, or suffer a lien, claim or encumbrance upon any of the Collateral; (b) permit, grant or suffer any levy, attachment or restraint to be made affecting any of the Collateral; (c) enter into any transaction not in the ordinary course of its business which materially and adversely affects Borrower's ability to repay its Borrower's Liabilities.

4.9 Borrower shall pay promptly when due, all of the Charges. In the event Borrower, at any time or times hereafter, shall fail to pay the Charges or to obtain discharges of the same, Borrower shall so advise the City thereof in writing, at which time the City may, without waiving or releasing any obligation or liability of Borrower under this Agreement, in its sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which the City deems advisable. All sums so paid by the City and any expenses, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower, as the case may be, to the City. Notwithstanding anything herein to the contrary, Borrower may permit or suffer Charges to attach to its assets directly relating to the Project, and may dispute the same without prior payment thereof, provided the Borrower, in good faith shall be contesting said Charges in an appropriate proceeding, and further provided that if said Charges are in excess of $5,000, Borrower shall insure over any such Charges, or give to the City such additional collateral and/or assurances as the City in its reasonable discretion, deems necessary under the circumstances.

4.10 Borrower shall maintain financial records prepared by a certified public accountant in accordance with generally accepted accounting principles consistently applied, not less frequently than annually, and certified to by the chief executive officer of the Borrower. Within 120 days following the close of each fiscal year of Borrower, Borrower shall provide a copy of the aforesaid annual financial statement(s) to the City. In addition upon request by D.E.D., Borrower shall submit to D.E.D. no more frequently than once per calendar quarter, statements of Borrower's employment profile and Borrower's financial condition.
4.11 Borrower shall immediately notify the City of any and all events or actions which may materially affect Borrower's abilities to carry on its operations or perform all of its obligations under this Agreement or any other agreements with respect to the Project, whether senior or junior to the Loan, and whether now existing or hereafter entered into by Borrower with respect to the Project.

4.12 The time frame for the beginning and completion of the Project, shall be as specified in Exhibit F of the U.D.A.G. Grant Agreement, as amended from time to time.

4.13 Continuation of Representations and Warranties. All representations and warranties of Borrower contained in this Agreement shall be true at the time of its execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto, and shall remain true and correct so long as any part of the Loan shall remain outstanding.

Section 5. Inspection And Review.

5.1 Books and Records. Borrower shall keep and maintain such books, records and other documents as shall be required under rules and regulations now or hereafter applicable to grants made under the U.D.A.G. Program, and as may be reasonably necessary to reflect and disclose fully the amount and disposition of proceeds of the Loan, the total cost of the activities paid for, in whole or in part, with proceeds of the Loan, and the amount and nature of all investments related to such activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the City, the Secretary or the Comptroller General of the United States.

5.2 Site Visits. Any duly authorized representative of the City or the Secretary shall, at all reasonable times, have access to all portions of the Project.

5.3 Duration of Inspection Rights. The rights of access and inspection provided in this Section 5 shall be as follows:

(a) For H.U.D., until the completion of all close-out procedures respecting the U.D.A.G. Grant and final settlement and conclusion of all matters arising therefrom;

(b) For the City, until the Loan is paid in full and final settlement and conclusion of all matters arising therefrom.

Section 6. Certificate Of Completion.

Promptly after completion by Borrower of each portion of the Project, the City will, upon request of Borrower, furnish Borrower with appropriate instruments certifying such completion. Such certifications shall be a conclusive determination of satisfaction, discharge and termination of the covenants in this Agreement with respect to the obligations of Borrower and its successors and assigns to undertake the Project in accordance with the dates for the beginning and completion thereof. The certifications
shall be in such form as will enable them to be recorded. If the City shall refuse or fail to provide the certifications within 5 days of a request for such certifications by Borrower, the City shall, within thirty (30) days thereafter, provide Borrower with a written statement indicating in adequate detail how Borrower has failed to complete the construction or rehabilitation of the improvements in conformity with this Agreement, or is otherwise in default, and what measures or acts will be necessary in the opinion of the City for Borrower to make or perform in order to obtain such certification.

Section 7. Restrictions On Use.

During the term of the Loan, Borrower shall devote the Property solely for purposes of developing, operating and maintaining a shopping center (and outlots) consistent with the scope of the Project as described in this Agreement.

Section 8. Other Security Interests.

8.1 During the term of the Loan, Borrower may grant security interests in, or may otherwise encumber the U.D.A.G. Collateral so long as the grantee of any such grant consents to and acknowledges the rights of the City in the U.D.A.G. Collateral.

8.2 Permitted Liens. Subject to the provisions of Paragraph 8.3 of this Section 8, the following shall be Permitted Liens against the Project: (a) liens for taxes being contested in good faith by appropriate proceedings; (b) deposits or pledges to secure obligations under workmen's compensation, social security or similar laws, or under unemployment insurance; (c) deposits or pledges given in the ordinary course of business to secure bids, tenders, contracts (other than contracts for the payment of money), leases and other like obligations; (d) judgment liens unless the judgment secured shall remain unstayed, undischarged or unbonded for 30 days; (e) mechanics', workmen's, materialmen's, or other like liens arising in the ordinary course of business being contested in good faith; (f) easements, rights-of-way, zoning restrictions and similar charges or encumbrances not interfering with the operations of the Borrower, or the Project; and (g) purchase money mortgages, liens, pledges or security interests existing in collateral or property acquired by Borrower after the date of this Agreement, provided that the City retains no less than a second, perfected security interest in assets of Borrower obtained with proceeds of the Bonds, together with all accessions, attachments and additions thereto and replacements therefore, and all proceeds thereof.

Borrower shall promptly give written notice of any Permitted Liens affecting the Property, where the City's prior consent pursuant to the Section 8, is not required. In the event any such Permitted Lien is in excess of $100,000, Borrower shall provide evidence of reserves and/or grant additional security to the City, as the latter may reasonably request to assure its security in the U.D.A.G. Collateral is not materially diminished by such Permitted Lien.

Section 9. Events Of Default.

9.1 Borrower shall be in default under this Agreement upon the occurrence of any of the following events or conditions: (a) default in the payment ("monetary default"), or
performance of any of the obligations or of any covenants or liabilities by Borrower ("non-monetary default"), contained or referred to herein in the Note, or in any of the other Loan Documents after the expiration of any applicable Cure Period; (b) any warranty, representation or statement made or furnished to City by or on behalf of Borrower, proving to have been false in any material respect when made or furnished; (c) the making of any levy, seizure or attachment on the Collateral; (d) dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or any guarantor or surety for Borrower, or unsecured default on the Loan or any refinancing of the same in accordance with the provisions of this Agreement; (e) a default under the Senior Financing or T.I.F. Financing.

9.2 If a monetary default shall have occurred, and shall continue for 10 days from receipt of notice thereof deemed to be 3 days after City has placed said notice in the United States Mails, or with another carrier chosen by the City ("Notice"), addressed to Borrower, and, if Borrower has not cured said default(s), then the City shall have the right to exercise the remedies provided in Section 10 of this Agreement.

9.3 If a non-monetary default shall have occurred, the City shall send notice to Borrower of such default. If such default is not cured within sixty (60) days after receipt of Notice (as defined above) then the City shall have the right to exercise the remedies provided for in Section 10 hereof, but provided, however, that in the event a non-monetary default cannot reasonably be cured within the aforesaid 60 day period, and if Borrower has commenced efforts to cure, then the time to cure such non-monetary default shall be extended so long as Borrower diligently continues to cure such default.

9.4 Cure Period. -- The time periods referred to in Sections 9.2 and 9.3 of this Agreement are herein collectively referred to as the Cure Period. Provided further, however, that in the case of a default under the Senior Financing or the T.I.F. Financing, if the cure period granted therein is less than the cure period granted hereunder, then the shortest cure period shall be the Cure Period under this Agreement.

Section 10. Remedies.

Upon an event of default as defined in Section 9 above such default not having been previously cured within the applicable cure period, the City may pursue one or more of the following remedies:

(a) City, at its option, may declare all sums due and owing hereunder immediately due and payable, and take possession or control of all obligations secured hereby;

(b) City may withhold further disbursements of the proceeds of the Loan; and

(c) City may use unadvanced Loan proceeds to complete the Project.

10.2 (a) The remedies of the City hereunder are in addition to any remedies conferred upon the City by law or at equity, or under any of the other Loan Documents. The remedies
of City hereunder are cumulative and may be exercised concurrently or successively, it
being the intent hereof that none of the remedies shall be to the exclusion of any others.
The exercise of any one or more of the remedies provided for herein or under any of the
other Loan Documents shall not be construed as a waiver of any of the other remedies of
City so long as any part of the Borrower's obligations under any of the Loan Documents
remain unsatisfied.

Section 11. General.

(a) No waiver by City of any default shall operate as a waiver of any other default or of
the same default on a future occasion. All rights of City hereunder shall inure to the
benefit of its successors and assigns; and all obligations of Borrower shall bind its executors
or administrators or its successors or assigns.

(b) All rights of City to and under this Agreement and in and to the Collateral shall pass
to and may be exercised by any assignee thereof. Borrower agrees that if City gives notice
to Borrower of an assignment of said rights, upon such notice, the liability of Borrower to
the assignee shall be immediate and absolute. Borrower shall not set up any claim against
City as a defense, counterclaim or setoff to any action brought by any such assignee for the
unpaid balance owed hereunder or for possession of the Collateral, provided that the
Borrower shall not waive hereby any right of action to the extent that waiver is expressly
made unenforceable under applicable law.

Section 12. Housing And Urban Development Approval.

During the term of this Agreement, it shall not be amended in any material respect
without the prior written approval of the Secretary. "Material," for purposes of this
Section, shall be defined as anything which cancels or reduces any developmental,
construction, job creating or financial obligation of Borrower or Senior Lender by more
than 10 percent (10%), changes the site or character of any development activity or
increases any time for performance by a party by more than thirty (30) days.


Borrower and its successors and assigns, agree that during the term of the Loan:

13.1 Borrower will develop an affirmative action plan to ensure equal employment
opportunities without regard to race, color, religion, sex, national origin, age or physical
handicap. Such plan may include, but not be limited to, the following: employment
upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or
termination, rates of pay, or other forms of compensation, and selection for training,
including apprenticeship. Borrower agrees to post in conspicuous places, available to
employees and applicants for employment, notices setting forth the provisions of this
nondiscrimination clause.

13.2 Borrower will, in all solicitations of, or advertisements for, employees placed by or
on its behalf, state that all qualified applicants will receive consideration for employment
without regard to race, religion, color, sex, national origin, age or physical handicap.
13.3 Borrower will include the provisions of subsections 13.1 and 13.2 above in every contract, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors, so that such provisions will be binding upon each such contractor or subcontractor, as the case may be.

13.4 Discrimination as used herein shall be interpreted in accordance with federal law as construed by court decisions. This covenant may be enforced solely by the City and solely against the party which breaches this covenant.

Section 14. No Assignment Or Succession.

No transfer of Loan funds by the City to Borrower shall be, or be deemed to be, an assignment of U.D.A.G. Grant funds, and Borrower shall not succeed to any rights, benefits or advantages of the City under the U.D.A.G. Grant, nor attain any rights, privileges, authorities or interests in or under the U.D.A.G. Grant.

Section 15. Disclaimer Of Relationship.

Nothing contained in this Agreement or in the U.D.A.G. Grant Agreement, nor any act of the Secretary or of the City, shall be deemed or construed by any of the parties, or by 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 Secretary or the City.

Section 16. Conflict Of Interest.

The parties hereto agree to be bound by and abide to the Conflict of Interest provision found in 24 C.F.R. Part 570, Section 570.611, (48 Federal Register 186, pp. 43571-72) which is incorporated herein by this reference.

Section 17. Limitation Of Liability.

Borrower expressly agrees that no member, official, employee or agent of City shall be individually or personally liable to Borrower or its successors or assigns in the event of any default or breach by the City under this Agreement.

Section 18. Additional Provisions.

18.1 Time is of the essence of this Agreement.

18.2 Signs--Borrower shall erect a sign at the Project site which shall be consistent with criteria set by H.U.D. and furnished to Borrower by the City.

18.3 Notices--All notices, certificates or other communications shall be sufficiently given and shall be deemed to have been given on the second day following the day on which the same have been mailed by registered or certified mail, postage and fees prepaid, addressed as follows:
If To City:

City of Chicago
Department of Economic Development
20 North Clark Street, Suite 2800
Chicago, Illinois 60602
Attention: Commissioner

If To Developer:

If To Trustee:

With Copies To:

City of Chicago
c/o Department of Law
City Hall - Room 511
Chicago, Illinois 60602
Attention: Corporation Counsel

The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

18.4 Severability--If any provision hereof is held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed severed from this Agreement to the extent of such invalidity or unenforceability, and the remainder hereof will not be affected thereby, each of the provisions hereof being severable in any such instance.

18.5 Governing Law--This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to the conflicts of law principals of that State.

18.6 Prior Agreements--This Agreement and the other Loan Documents, and any other documents or instruments executed pursuant thereto or contemplated thereby, shall represent the entire, integrated agreement between the parties hereto with respect to construction and equipping of the Project not yet in place, and shall supersede all prior negotiations, representations, or agreements pertaining thereto, either oral or written. This Agreement and any provision hereof shall not be modified, amended, waived or discharged in any manner other than by a written amendment executed by all parties to this Agreement. The Borrower and City may have previously entered into a Commitment Letter regarding the Loan. That Commitment Letter shall terminate upon the execution of this Agreement by Borrower.
18.7 Disclaimer by City--City shall not be liable to any contractor, subcontractor, supplier, laborer, architect, engineer or any other party for services performed or materials supplied in connection with construction of the Project. City shall not be liable for any debts or claims accruing in favor of any such parties against Borrower or against the Premises. Neither the nor Borrower is or shall be an agent of City for any purposes, and City is not a venture partner with Borrower or the in any manner whatsoever. City shall not be deemed to be in privity of contract with any contractor, subcontractor, or provider or services be deemed to create any third party beneficiary status or recognition of same by City unless and until City expressly assumes such status in writing. Approvals granted by City for any matter covered under this Agreement shall be narrowly construed to cover only the parties and facts identified in any written approval or if not in writing such approvals shall be solely for the benefit of Borrower.

18.8 Indemnification--To the fullest extent permitted by law, Borrower hereby agrees to protect, indemnify, defend and save harmless, City and its officers, agents and employees from and against any and all liability, expense or damage of any kind or nature and from any suits, claims, or demands, including legal fees and expenses on account of any matter or thing or action or failure to act by City, whether in suit or not, arising out of this Agreement or in connection herewith unless such suit, claim or damage is caused solely by any act, omission or willful malfeasance of City, its officers, agents and authorized employees. This indemnity is not intended to excuse City from performing hereunder. This obligation on the part of Borrower shall survive the closing of the Loan, the repayment thereof and any cancellation of the Loan Agreement.

18.9 Gender and Number--Any word herein which is expressed in the masculine or neuter gender shall be deemed to include the masculine, feminine and neuter genders. Any word herein which is expressed in the singular or plural number shall be deemed, whenever appropriate in the context, to include the singular and the plural.

18.10 Headings--All articles, sections, subsections and other descriptive headings or provisions in this Agreement are inserted for convenience only, and shall not be considered part of this Loan Agreement nor affect the construction or interpretation thereof.

18.11 Effect of Agreement--The submission of this Agreement and the Loan Documents to Borrower for examination does not constitute a commitment or an offer by City to make a commitment to lend money to Borrower; this Agreement shall become effective only upon execution and delivery hereof by City and the Borrower.

In Witness Whereof, the City of Chicago and Borrower have caused this Agreement to be duly executed and delivered as of the date first above written.

[Signature forms omitted for printing purposes.]

Exhibits A, B, C, D and E attached to this agreement read as follows:

Exhibit A
To U.D.A.G. Agreement.

Description Of City Activities.

The "City Activities" shall consist of the following:

City shall:

(i) Lend to Developer not more than $935,000 of Grant Funds which shall be used in accordance with Exhibit D to this Agreement;

(ii) Shall issue and sell at least $1,500,000 of T.I.F. bonds;

(iii) Spend not less than $1,500,000 of T.I.F. funds to construct or cause to be constructed Project Element B in accordance with Exhibit D to this Agreement.

Exhibit B

To U.D.A.G. Redevelopment Agreement.

Description Of Borrower Activities.

I.

The "Borrower's Activities" shall consist of the following:

Developer shall:

(i) Acquire the Property and complete the Project Elements on the Property at a total cost of not less than $6,385,000 in accordance with Exhibit D to this Agreement using not less than $4,700,000 of Senior Loan funds, not less than $750,000 of Developer's cash equity funds, and not more than $935,000 of Loan funds;

(ii) Borrow from Senior Lender not less than $4,700,000 for financing Project Element A of Exhibit D;

(iii) Invest not less than $750,000 of cash equity funds in Project Element A;

(iv) Borrow from City not more than $935,000 of Grant Funds for financing Project Element A; and
(v) Unconditionally and irrevocably guarantee the repayment of the U.D.A.G. Loan during construction period and the completion of the Project in accordance with the schedule set forth in Exhibit F to the Grant Agreement.

II.

Lender shall lend to Developer not less than $4,700,000 for financing Project Element A.

Exhibit C

To U.D.A.G. Redevelopment Agreement.

The terms and conditions of the Loan shall be as follows:

Interim U.D.A.G. Loan.

(i) Term—Term of the Interim U.D.A.G. Loan shall commence upon the initial disbursement of Loan Funds, but in no event later than December 31, 1987, and shall end upon the completion of construction, but in no event later than March 31, 1989.

(ii) Principal—The principal amount of the Interim U.D.A.G. Loan shall be no more than $935,000.

(iii) Interest—There shall be no interest.

(iv) Disbursement/Ratio—Disbursements of U.D.A.G. Loan funds shall be based on vouchers submitted by Developer, verified by City, and certified by the architect, construction manager or other certifying official acceptable to City. All submissions by contractors of monthly requisitions shall be on AIA Forms 702 and 703 or their equivalent.

No disbursement of the U.D.A.G. Loan shall be made until:

a) Developer has furnished City with an A.L.T.A. Loan Policy of title insurance in the original principal amount of the U.D.A.G. Loan, insuring that City is the holder of a second lien on the Property, free of encumbrances and other exceptions to title other than those approved in advance by City, and not subordinated to any interest except the first mortgage of Senior Lender in an original principal amount not to exceed $4,700,000, plus any further advances by the Senior Lender which are invested in the Project and are required for its completion (the "First Mortgage");
b) Developer has furnished City with a Builder's Risk and Fire Insurance policy or policies duly endorsed to indicate City as an insured mortgagee;

c) All of the requirements for draw down of Grant Funds set forth in Paragraph I(b) of Exhibit F of the Grant Agreement have been satisfied; and

d) Developer has expended not less than $750,000 of cash equity funds for Eligible Costs of the Project consistent with Exhibit D.

After the above requirements have been satisfied, U.D.A.G. Loan funds may be drawn down and disbursed for use in accordance with Exhibit D to this Agreement in a ratio to countable private funds of not more than $1.00 of U.D.A.G. Loan funds to $5.65 of countable private funds expended on the Project including the funds above required to be expended prior to disbursement of U.D.A.G. Loan funds. "Countable private" funds mean the funds described on line r of Exhibit D to this Agreement.

Permanent U.D.A.G. Loan.

(i) Term--Term of the Permanent Loan shall be 15 years commencing upon completion of construction, but in no event later than March 31, 1989.

(ii) Principal--The principal amount of the Permanent U.D.A.G. Loan shall be the amount disbursed under the Interim U.D.A.G. Loan.

(iii) Interest--The interest rate shall be as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Interest</th>
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<tbody>
<tr>
<td>1-7</td>
<td>3%</td>
</tr>
<tr>
<td>8-10</td>
<td>4%</td>
</tr>
<tr>
<td>11-15</td>
<td>5%</td>
</tr>
</tbody>
</table>

(iv) Repayment--Interest payments of 3% per annum shall be deferred and accrued in years 1 through 3 and shall be added to the principal balance of the Permanent U.D.A.G. Loan at the close of each loan year during the accrual period.

Thereafter, repayment of principal and interest shall be made in monthly installments in accordance with a 30-year amortization schedule during the Term of the Permanent U.D.A.G. Loan, and a balloon payment sufficient to pay off the entire outstanding indebtedness of principal plus accrued and unpaid interest shall be made at maturity of the Permanent U.D.A.G. Loan.

(v) Contingent Interest/Participation in Cash Flow--Annually, throughout the Term of the Permanent U.D.A.G. Loan, and in addition to payment of principal and interest required above, Developer shall pay to City 15% of the Net Annual Cash Flow of
the Project. "Net Annual Cash Flow" means all operating income and receipts of the Project less (1) debt service on the First Mortgage and the U.D.A.G. Loan, (2) real estate taxes, (3) reasonable operating expenses (including a management fee not to exceed 5% of operating income) allowable for Federal income tax purposes, but excluding reserves for capital improvements, depreciation and other non-cash items, and (4) a 15% non-cumulative return to Developer on Developer's documented cash equity funds invested in the Project. Participation payments shall be due within 120 days of the end of each operating year of the Project.


Security--The U.D.A.G. Loan shall be secured by a deed of trust or mortgage in favor of Recipient upon all land, buildings, fixtures, equipment and other assets of the Developer comprising the Project. The security position of the Recipient may be subordinated only to the First Mortgage of Senior Lender of $4,700,000.

The deed of trust or mortgage shall also contain standard provisions to protect the interest of the second mortgagee, including, for example, a provision that a default under the First Mortgage which could permit a foreclosure by the Senior Lender shall constitute a default under the second mortgage and the entire principal balance plus accrued and unpaid interest of the U.D.A.G. Loan shall become immediately due and payable.

To the extent permitted by law, all of the personal property described in the deed of trust or mortgage shall be deemed to be fixtures and part of the real property. As to any part of such personal property not deemed or permitted by law to be fixtures, the deed of trust or mortgage shall constitute a security agreement under the Uniform Commercial Code.

Participation in Sale or Refinancing--Developer shall pay to City 15% of the Net Proceeds from any sale or disposition in whole or part of the Project or from any syndication or refinancing (except a one-time refinancing of senior permanent loan to the extent of outstanding principal balance plus costs of origination of the original senior loan, if documented and if commercially reasonable), except refinancing allowed pursuant to a call or a takeout provision in the First Mortgage. "Net Proceeds" means all proceeds received less (1) repayment of the First Mortgage (if applicable), (2) repayment of the U.D.A.G. Loan, (3) Developer's documented reasonable costs of sale or refinancing, and (4) repayment of documented Developer's cash equity funds invested in the Project.

Acceleration of U.D.A.G. Loan--In addition to and not intending to be a limitation on anything else contained elsewhere in this Agreement, the entire principal balance immediately due and payable upon the (1) bankruptcy or reorganization of the Developer under the Bankruptcy Code or the Internal Revenue Code of 1954, as amended, (2) dissolution or liquidation of the Developer, (3) syndication of the Developer which results in Excess Syndication Proceeds (as defined below), (4) change in ownership of the general partnership interest or transfer of 50% or more of the corporate stock or controlling interest in the Developer, or (5) refinance (except for a one-time refinance of the outstanding balance of the First Mortgage), sale, partial sale, exchange, transfer, sale under foreclosure
or any other disposition of the Project Site, improvements or capital equipment situated
thereon. No improvements or capital equipment situated on the Property shall be
removed, demolished or materially altered, without prior written consent of City, except
that Developer shall have the right, without such consent, to remove and dispose of, free
from any lien of City, such equipment as from time to time may become worn out or
obsolete, provided that simultaneously, with or prior to such removal, any such equipment
shall be replaced with other equipment of value at least equal to that of the replaced
equipment and free from any title retention or other encumbrance unless permitted in
Security above, and by such removal and replacement Developer shall be deemed to have
subjected such equipment to the lien of City.

Excess Syndication Proceeds -- Recipient shall be entitled to receive 15% of the "excess
syndication proceeds" from the development. "Excess Syndication Proceeds" means the
sum of "Net Syndication Proceeds" either owed to or received by the General Partner(s)
from the limited partner investor(s) that results in a surplus of receipts Not needed or
required to complete the development and which is in excess of the committed cash equity.
"Net Syndication Proceeds" means gross syndication proceeds less allowable deductions for
legitimate arms-length, third-party costs of the syndication such as legal, accounting,
closing, printing, syndication fees, brokerage, marketing and such other reasonable,
allowable and necessary legitimate, arms-length, third-party costs and deductions of the
said syndication.

Reduction of U.D.A.G. Loan -- In the event that the private funds expended for the
Project are less than $5,450,000, the U.D.A.G. Loan shall be reduced by $1.00 for each
$5.65 of private funds not expended for the Project and Grant Funds for such amount shall
not be drawn down under the Letter of Credit by the City.

Guarantee -- Developer shall unconditionally and irrevocably guarantee the repayment
of the U.D.A.G. Loan and the completion of the Borrower Activities pertaining to
Developer in accordance with the schedule set forth in Exhibit F to this Grant Agreement
during the construction period.

Prepayment -- Prepayment may occur without penalty provided no prepayment is made
prior to the completion of the Project and subject to the Developer's duty to pay the City a
portion of Net Proceeds and Excess Syndication Proceeds as provided hereunder.

Annual Accounting -- Developer shall deliver a statement to City from Ostrow, Reisin,
Burk, Abrams, an independent Certified Public Accountant or an independent certified
public accountant as may be acceptable to the City within 120 days of the close of each
operating year during the Term of the Permanent U.D.A.G. Loan, which shall state by way
of computation and review as follows:

(i) Operating income and receipts of the Project;
(ii) Operating expenses allowable for Federal Income Tax purposes;
(iii) Net Annual Cash Flow;
(iv) Developer equity invested in the Project;
(v) Net Proceeds;
(vi) Excess Syndication Proceeds; and
(vii) The amount of participation in Net Annual Cash Flow and Net Proceeds and Excess Syndication Proceeds, due Recipient.

All applicable terms and conditions of the Grant Agreement, including Article IX provisions and job assurances specified in Sections 5.03 and 9.06, are expressly incorporated herein by this reference.

The schedule for performance of City and Borrower Activities shall be in accordance with Paragraph II of Exhibit F of the Grant Agreement.

During the term of this Grant Agreement, Developer shall agree to provide necessary data and information as to private investment and jobs relating to this Grant Agreement.

Exhibit E

To Redevelopment Agreement.

The following documentation shall be completed and submitted to the City prior to the disbursement of any Grant Funds:

1. Not less than sixty days prior to the initiation of any construction, the Borrower shall provide to the City a request for wage determination for all crafts to be utilized on the project, utilizing U. S. Department of Labor Form 308, or equivalent.

2. Not less than fifteen (15) days prior to the initiation of any construction activities the Borrower shall provide to the City fully executed Contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements from each contractor and subcontractor participating in the project, utilizing U. S. Department of Housing and Urban Development Form H.U.D.-1421 (6-75) or equivalent.

The following documentation shall be completed and submitted to the City, as may be required throughout the entire term of the Loan:

1. Upon initiation of construction activities the Borrower shall insure that the approved wage determination materials, together with a poster (U. S. Department of Labor WH-1321) shall be conspicuously displayed, which informs employees of their rights and indicates that the City will receive complaints.

2. From and after the initiation of any construction activities through final disbursement of Grant Funds, the Borrower shall submit to the City on a timely basis a completed certified weekly payroll, utilizing U. S. Department of Labor Form WH-347 or
equivalent. In addition to the requested information contained thereon, the Borrower shall require all participating contractors and subcontractors to provide information as to the race and gender of each employee. All of the above information is due weekly. The cure period shall be two weeks.

CORPORATION COUNSEL AUTHORIZED TO EXECUTE CERTAIN SETTLEMENT AGREEMENTS OR ENTER INTO CONSENT ORDERS.

The Committee on Finance submitted a report recommending that the City Council pass the following proposed orders transmitted therewith:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement or consent order in a lawsuit entitled Bongi Cartage, Incorporated v. City of Chicago, 85.CH 6918, in the amount of $785,000.32.

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement or consent order in a lawsuit entitled Carol Truman v. City of Chicago, 81 L 21293, in the amount of $64,421.91.

On motion of Alderman T. Evans, the foregoing proposed orders were Passed by yeas and nays as follows:


Nays -- None.

Alderman Sawyer moved to reconsider the foregoing vote. The motion was lost.

EXECUTION OF AGREEMENT WITH "METRA" FOR ROADWAY IMPROVEMENTS ON PORTION OF EAST 71ST STREET.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing an agreement between METRA the City of Chicago for the improvement of East 71st Street from 1300 to 2400 east along the Illinois Central Gulf right-of-way.