

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Commissioner of the Department of Planning and Development (the "Commissioner") is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Matching Grant. The Commissioner is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Matching Grant which are in accordance with the terms and provisions of the Federal Grant.

SECTION 3. Upon the execution and receipt of proper documentation, the City Comptroller is hereby authorized to disburse the Matching Grant to C.M.C..

SECTION 4. This ordinance shall be in full force and effect by and from the date of its passage.

**AUTHORIZATION FOR EXECUTION OF REDEVELOPMENT
AGREEMENT WITH CULINARY FOODS, INC. AND
MR. MURRAY MANASTER FOR PROPERTY
AT 4201 SOUTH ASHLAND AVENUE IN
STOCKYARDS INDUSTRIAL-COMMERCIAL
REDEVELOPMENT AREA.**

The Committee on Finance submitted the following report:

CHICAGO, June 16, 1994.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the Commissioner of the Department of Planning and Development to enter into and execute a redevelopment agreement with Culinary Foods, Inc. and Murray Manaster for property located at 4201 South Ashland Avenue in the Stockyards Industrial-Commercial Redevelopment Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Mazola, Haithcock, Tillman, Preckwinkle, Bloom, Steele, Beavers, Dixon, Buchanan, Huels, Fary, Burke, Jones, Coleman, Streeter, Murphy, Rugai, Troutman, Evans, Munoz, Laski, Miller, Medrano, Ocasio, Watson, E. Smith, Bialczak, Mell, Wojcik, Allen, Laurino, O'Connor, Doherty, Natarus, Bernardini, Hansen, Shiller, M. Smith, Stone -- 39.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on March 8, 1989 and published at pages 25366 -- 25403 of the Journal of the Proceedings of the City Council of such date, a certain redevelopment plan for the Stockyards Industrial-Commercial Redevelopment Area (the "Project Area") Tax Increment Financing Project was adopted and approved; and

WHEREAS, Pursuant to an ordinance adopted on March 8, 1989 and published at pages 25359 -- 25362 of the Journal of the Proceedings of the City Council of such date, the Project Area was designated as a redevelopment project area pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq. (1992 State Bar Edition)); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on March 8, 1989 and published at pages 25362 -- 25366 of the Journal of the Proceedings of the City Council of such date, tax increment allocation financing was approved as a means of financing redevelopment costs in the Project Area; and

WHEREAS, Culinary Foods, Inc., an Illinois corporation ("Culinary"), has acquired a seven acre site (the "Site") located within the Project Area and (i) is constructing an approximately 100,000 square foot manufacturing and warehouse facility on a portion thereof, and (ii) shall convey a portion thereof, for an amount not in excess of the fair market value thereof, to Murray Manaster ("Manaster"), the holder of 100 percent of the issued and outstanding stock of Culinary, for the construction by Manaster of a freezer and warehouse facility of not less than 75,000 square feet for subsequent transfer by Manaster to Culinary for an amount not in excess of the fair market value thereof, in order to consolidate Culinary's operations, which currently employ approximately 775 persons, on the site, with an additional 100 jobs to be created within three years of completion of the freezer and warehouse facility; and

WHEREAS, Culinary and Manaster have proposed to undertake the redevelopment of the Site pursuant to the terms and conditions of a redevelopment agreement to be executed by Culinary, Manaster and the City, including but not limited to the acquisition of the Site, construction of the facilities and retention and creation of jobs, to be financed in part by a portion of the proceeds of the City's Tax Increment Allocation Bonds, Stockyards Industrial-Commercial Project Series 1994; and

WHEREAS, Pursuant to Resolution 93-CDC-17 adopted by the Community Development Commission of the City of Chicago ("C.D.C.") on May 11, 1993, as amended by Resolution 93-CDC-40 adopted by the C.D.C. on August 10, 1993, C.D.C. authorized the City's Department of Planning and Development ("D.P.D.") to advertise its intention to negotiate a redevelopment agreement with Culinary and Manaster for redevelopment of the Site and to request alternative proposals for the redevelopment of the Site; and

WHEREAS, D.P.D. advertised its intention to negotiate a redevelopment agreement with Culinary and Manaster for the redevelopment of the Site, requested alternative proposals for the redevelopment of the Site, gave proper public notice of the Culinary and Manaster proposal and provided reasonable opportunity for other persons to submit alternate proposals or bids; and

WHEREAS, Since no other responsive proposals were received by D.P.D. for the redevelopment of the Site at the conclusion of the advertising period, pursuant to Resolution 93-CDC-17 and 93-CDC-40, C.D.C. has recommended Culinary and Manaster as the designated developers of the Site, and has authorized the Chairman of the C.D.C. to forward that recommendation to City Council; and

WHEREAS, As of the date hereof, it is contemplated that, in the near future, substantially all of the assets of Culinary may be sold (the "Asset Sale") to Culinary Foods, Inc., a Delaware corporation ("Culinary-Del."), a

wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation, and D.P.D. has determined that such sale may be desirable; and

WHEREAS, Upon such sale, if any, D.P.D. has determined that it may be desirable to assign all of the rights and obligations of Culinary with respect to the development of the Site to Culinary-Del. (the "Assignment"); now, therefore,

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

SECTION 1. The Commissioner of D.P.D. (the "Commissioner") and/or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to execute and deliver a redevelopment agreement with Culinary and Manaster substantially in the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 2. The Commissioner is hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to execute and deliver a consent to the Asset Sale and to the Assignment provided all of the conditions with respect thereto as set forth in the Redevelopment Agreement have been met to D.P.D.'s satisfaction.

SECTION 3. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. This ordinance shall have control over any provision of any other ordinance, resolution, motion or order in conflict with this ordinance (including but not limited to that certain ordinance adopted on August 4, 1993 and published at pages 36275 -- 36331 of the Journal of the Proceedings of the City Council of such date, which ordinance is superseded hereby as of the date hereof), to the extent of such conflict.

SECTION 5. This ordinance shall be in full force and effect upon its passage.

Exhibit "A" attached to this ordinance reads as follows:

Exhibit "A".

Culinary Foods, Inc. Redevelopment Agreement.

City Of Chicago,

Culinary Foods, Inc.

And

Murray Manaster.

This Culinary Foods, Inc. Redevelopment Agreement (this "Agreement") is made as of this ___ day of _____, 1994, by and between the City of Chicago, an Illinois municipal corporation ("City"), through its Department of Planning and Development ("D.P.D."), Culinary Foods, Inc., an Illinois corporation ("Culinary") and Murray Manaster, holder of 100% of the issued and outstanding stock of Culinary ("Manaster"), with Culinary and Manaster being referred to herein collectively as the "Developer".

Recitals.

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

B. Statutory Authority: City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (1992 State Bar Edition) (the "Act") to finance the redevelopment of blighted areas.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of City (the "City Council") adopted the following ordinances on March 8, 1989: (1) "An Ordinance of the City of Chicago, Illinois, Concerning the Approval of Tax Increment Redevelopment Plan for Stockyards Industrial-Commercial Redevelopment Area Tax Increment Financing Project"; (2) "An Ordinance of the City of Chicago, Illinois, Concerning the Designation of Stockyards Industrial-Commercial Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation

Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois, Concerning the Adoption of Tax Increment Allocation Financing for Stockyards Industrial-Commercial Redevelopment Tax Increment Financing Project" (collectively referred to herein as the "T.I.F. Ordinances"). The ordinance approving the execution of this Agreement was adopted by City Council on _____, 1994 (superseding, as of the date of such adoption, that certain ordinance adopted on August 4, 1993). The redevelopment project area (the "Redevelopment Area") is legally described in (Sub)Exhibit A hereto.

D. The Project: Within the time frames set forth in Section 3.02 hereof and on certain property located within the Redevelopment Area at 4201 South Ashland Avenue, Chicago, Illinois 60609 and legally described on (Sub)Exhibit B hereto (the "Property"), (a) Culinary shall complete construction of an approximately 100,000 square foot manufacturing and warehouse facility (the "Phase I Facility") thereon (the acquisition of the Property and construction of the Phase I Facility, including all demolition and site preparation contemplated and required in connection therewith, being collectively referred to herein as "Phase I"); and (b) Manaster shall commence and complete construction of an approximately 75,000 (or 89,730, contingent upon the occurrence of the Private Street Acquisition, as defined below) square foot freezer and warehouse facility (referred to herein as the "Phase II Facility" or "Phase II"). The Phase I Facility and the Phase II Facility are collectively referred to herein as the "Facilities", and Phase I and Phase II and related improvements (including but not limited to those improvements and related activities for each of Phase I and Phase II that may be eligible for T.I.F. Financing as defined below, described in (Sub)Exhibit C hereto and referred to herein as the "T.I.F.-Funded Improvements") are collectively referred to herein as the "Project".

E. Acquisition of Private Street: The Developer will endeavor to acquire a portion of Private Street No. 2 (as described in the Survey) which is adjacent to the Property, in order to increase the size of the Phase II Facility. Such acquisition is referred to herein as the "Private Street Acquisition".

F. Conveyance of the Property and Phase II Facility: On July 28, 1993, Culinary purchased the Property and, prior to the date of this Agreement, began construction of the Phase I Facility on that portion of the Property legally described on (Sub)Exhibit E hereto (the "Phase I Property"). Subsequent to the execution of this Agreement, and provided that the acquisition described in Section 3.14(b) hereof does not occur, Culinary shall convey to Manaster that portion of the Property upon which the Phase II Facility will be constructed by Manaster (the "Phase II Property", legally described on (Sub)Exhibit F hereto), for an amount not in excess of its fair market value. Upon completion of the Phase II Facility, the Phase II Property and Phase II Facility will be conveyed by Manaster to Culinary for an amount not in excess of its fair market value.

G. **Redevelopment Plan:** The Project will be carried out in accordance with this Agreement and the City of Chicago Stockyards Industrial - Commercial Redevelopment Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as (Sub)Exhibit G.

H. **T.I.F.-Funded Improvements:** Developer agrees to implement the T.I.F.-Funded Improvements pursuant to the terms and conditions of this Agreement. Each of the T.I.F.-Funded Improvements is necessary to secure redevelopment of the Property.

I. **City Financing:** To pay a portion of the costs of the T.I.F.-Funded Improvements, the City may use a portion of the proceeds of its General Obligation Tender Bonds, Project Series B of 1992 (the "G. O. Bonds") issued pursuant to an ordinance adopted by the City Council on July 7, 1992, or the City may issue bonds the security for which will be the Incremental Taxes (as hereinafter defined) from the Redevelopment Area ("T.I.F. Bonds"). A portion of the proceeds from the sale of the T.I.F. Bonds may be used to finance the T.I.F.-Funded Improvements pursuant to the terms and conditions of this Agreement. City may, in its discretion, issue additional bonds ("Bonds") at some later date in order to redeem or defease that portion of the T.I.F. Bonds used to fund T.I.F.-Funded Improvements. All T.I.F.-Funded Improvements to be financed from proceeds of the T.I.F. Bonds or any other Bonds shall be Redevelopment Project Costs eligible for tax increment financing ("T.I.F. Financing") under the Act.

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

Section 1.

Recitals.

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

Section 2.

Definitions.

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with Culinary.

"Certificate" shall mean the Certificate of Completion described in Section 7.01 hereof.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"City Fee" shall mean the fee described in Section 4.03(c) hereof.

"City Funds" shall mean the funds described in Section 4.01 hereof.

"City Funds Subaccount" shall have the meaning ascribed to such term in the Escrow Agreement.

"Closing Date" shall mean the date of execution of this Agreement by all the parties hereto.

"Construction Contract" shall mean that certain contract for Phase I, substantially in the form attached hereto as (Sub)Exhibit H, entered into between Culinary and the General Contractor prior to the First Construction Disbursement, and a substantially similar contract for Phase II, in form and substance satisfactory to the City, to be entered into between Manaster and his General Contractor at a later date.

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

"Debt Subaccount" shall have the meaning ascribed to such term in the Escrow Agreement.

"Developer's Liabilities" shall mean all obligations and liabilities of Developer (or either of them) to City, whether primary, as a surety or guarantor, direct, contingent, fixed or otherwise presently or hereafter owing, due or payable and however evidenced, created, incurred or acquired.

"Employer(s)" shall have the meaning set forth in Section 10 hereof.

"Environmental Laws" shall mean the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or hereafter in force regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect.

"Equity" shall mean Culinary funds (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.02 hereof.

"Equity Subaccount" shall have the meaning ascribed to such term in the Escrow Agreement.

"Escrow" shall mean the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof or prior to the First Construction Disbursement by City, the Title Company and Developer, substantially in the form of (Sub)Exhibit I attached hereto.

"Event of Default" shall have the meaning set forth in Section 15 hereof.

"Financial Statements" shall mean complete audited financial statements of Culinary prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"First Construction Disbursement" shall mean the first disbursement from the Escrow subsequent to the Closing Date related to construction or development costs.

"General Contractor" shall mean F.C.L./Stava, being the general contractor hired by Culinary for Phase I pursuant to Section 6.01 prior to the execution of this Agreement, and/or the general contractor to be hired by Manaster for Phase II subsequent to the execution of this Agreement.

"George Street Property" shall mean all property owned, or previously owned, by Developer, any Affiliate of Developer or any family member of Developer or any Affiliate of Developer (including but not limited to any land trust of which Developer, any Affiliate of Developer or any family member of any Affiliate of Developer is the beneficiary) legally described on (Sub)Exhibit J hereto. (The Property described on (Sub)Exhibit J hereto does not include the Lady Astor Property.)

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any environmental law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Incremental Taxes" shall mean those taxes deposited or to be deposited in City's special tax allocation fund pursuant to Section 5/11-74.4-8(b) of

the Act as amended from time to time, for the purpose of paying certain redevelopment project costs related to the Redevelopment Area, and obligations incurred in the payment thereof.

"Lady Astor Property" shall mean the property legally described on (Sub)Exhibit K hereto. The business of Developer operated on the Lady Astor Property shall not be relocated to the Property at this time.

"Lender Financing" shall mean Developer funds borrowed from private lenders and irrevocably available for the Project, in the amount set forth in Section 4.02 hereof.

"M.B.E.(s)" or minority business enterprise shall mean a business identified in the Directory of Certified Minority Business Enterprises published by City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority business enterprise.

"Net Insurance Proceeds" shall mean any and all insurance proceeds, whether from property insurance (for building or other improvements and personal property) or business interruption insurance derived from, or as a result of, that certain fire casualty occurring on January 11, 1992 at the George Street Property, net of any mortgages and other encumbrances on such property paid off in whole or in part with such proceeds, and any loss beyond such pay offs for fire-related building and equipment losses (such net proceeds being estimated at \$5,570,286.00 as of the Closing Date).

"Net Real Estate Proceeds" shall mean all of the proceeds from the sale of the George Street Property (but not the Lady Astor Property), other than the potential sale described in Section 3.14(b) hereof, net of (i) any mortgages and other encumbrances on such property paid off in whole or in part with such proceeds, (ii) federal capital gains tax and state tax, whether realized or deferred, by Developer with respect thereto as evidenced by tax returns or other evidence satisfactory to D.P.D. to verify the existence of such tax liability for Developer, and (iii) other normal and customary costs of sale (such net proceeds being estimated at \$2,000,000.00 as of the Closing Date).

"Non-Governmental Charges" shall mean all non-governmental charges, liens, claims, or encumbrances relating to Developer, the Property or the Project.

"Permitted Liens" shall mean those liens and encumbrances against the Developer, the Property and/or the Project set forth on (Sub)Exhibit L hereto.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, or Phase I and/or Phase II of the Project, as the case may be.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.03(a) hereof.

"Project Budget" shall mean the budget attached hereto as (Sub)Exhibit M, showing the total cost of the Project by line item for each of Phase I and Phase II (minimum 75,000 square foot facility), furnished by Developer to D.P.D. including but not limited to the T.I.F.-Funded Improvements, in accordance with Section 3.04 hereof.

"Redevelopment Project Costs" means redevelopment project costs as defined in Section 5/11-74.4-3 (q) of the Act, as amended from time to time.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project, or Phase I and/or Phase II of the Project, as the case may be.

"Survey" shall mean an A.L.T.A. plat of survey of the Property dated within forty-five (45) days prior to the Closing, acceptable in form and content to City and the Title Company, prepared by a surveyor registered in the State, certified to City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Department of Housing and Urban Development (and updates thereof to reflect improvements to the Property in connection with the construction of the Facilities and related improvements as required by City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the later of: (a) the date on which any and all T.I.F. Bonds evidencing T.I.F. Financing secured in whole or in part by Incremental Taxes generated by the Project shall be redeemed; or (b) the date on which City shall have been fully reimbursed from Incremental Taxes generated by this Project for amounts expended by City for the T.I.F.-Funded Improvements; provided, however, that such term shall in no event be longer than the period for which the Redevelopment Area is in effect (through and including March 7, 2012).

"Title Company" shall mean Chicago Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised A.L.T.A. or equivalent form, showing Developer as the insured, issued by the Title Company.

"W.B.E.(s)" or women-owned business enterprise means a business enterprise identified in the Directory of Certified Women Business Enterprises published by City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

Section 3.

The Project.

3.01 Developer's Authority.

In order to further the redevelopment of the Redevelopment Area, the Developer agrees to oversee the planning, coordination and construction of the Project on the Property in accordance with this Agreement.

3.02 The Project.

(a) With respect to the Phase I Facility, Culinary, pursuant to the Plans and Specifications (i) has commenced construction as of August 26, 1993; and (ii) shall complete construction and conduct business operations therein no later than December 31, 1994.

(b) With respect to the Phase II Facility, Manaster shall (i) complete construction and conduct business operations therein no later than December 31, 1995; and (ii) convey the Phase II Facility and the underlying real estate to Culinary no later than December 31, 1996.

3.03 D.P.D. Approval Of Scope Drawings And Plans And Specifications.

(a) Preliminary Approval. The Scope Drawings and Plans and Specifications shall conform to the Redevelopment Plan as amended from time to time and all applicable state and local laws, ordinances and regulations. Culinary has delivered the Scope Drawings and Plans and Specifications for Phase I to D.P.D. for its review and prior written approval, which approval has been granted. Manaster shall deliver the Scope Drawings and Plans and Specifications for Phase II to D.P.D. for its review and prior written approval, at least four (4) weeks prior to commencement of construction of Phase II. D.P.D. shall respond within five (5) business days after delivery thereof. Developer shall simultaneously submit all such documents to City's Buildings Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

(b) Revisions. In the event D.P.D. rejects all or any portion of the Scope Drawings and/or Plans and Specifications as initially presented pursuant to Section 3.03(a), Developer shall have fifteen (15) days from the date Developer is notified of such rejection to submit revised or corrected documents to D.P.D. for D.P.D.'s written approval, which shall be granted or denied within five (5) business days after delivery thereof. After the initial

approval, subsequent proposed changes shall be submitted to D.P.D. as a Change Order pursuant to Section 3.05 hereof.

3.04 Project Budget.

Culinary, with respect to Phase I, and Manaster, with respect to Phase II, has furnished to D.P.D., and D.P.D. has approved, a Project Budget dated as of the date hereof showing total costs for the Project in an amount not less than Twenty-two Million Five Hundred Seventy-four Thousand Six Hundred Sixty-one Dollars (\$22,574,661.00) (which amount may be increased or decreased pursuant to Change Orders). Developer hereby certifies to City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to pay all Project costs and (b) to the best of Developer's knowledge after diligent inquiry, the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to D.P.D. certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.05 hereof. Except as provided in Section 3.05(b), any Change Order that constitutes an amendment to the Project Budget shall be submitted to D.P.D. for its prior written approval, which shall be granted or denied within two (2) business days of receipt by D.P.D. of a written request with respect thereto.

3.05 Change Orders.

(a) Approval Required. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) must be submitted by Developer to D.P.D.. Change Orders related to T.I.F.-Funded Improvements shall require D.P.D.'s prior written approval, which shall be granted or denied by D.P.D. within two (2) business days following receipt thereof by D.P.D., and Developer shall not authorize or permit the performance of any work relating to such Change Orders or the furnishing of materials in connection therewith prior to the receipt by Developer of D.P.D.'s written approval. Each Construction Contract, and each contract between the General Contractor and any subcontractor or between Developer and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of City to increase the amount of the City Funds or provide any other additional assistance to Developer.

(b) No Approval Required. Notwithstanding anything to the contrary in Section 3.05(a), Change Orders related to "hard costs" as delineated in the Project Budget (i) costing less than Fifty Thousand Dollars (\$50,000.00) each, to an aggregate amount of Three Hundred Thousand Dollars (\$300,000.00), and (ii) resulting from unforeseen circumstances related to construction of the Project, shall not require D.P.D.'s prior written approval as set forth in this Section 3.05, but D.P.D. shall be notified in writing of all

such Change Orders prior to the implementation thereof and Developer, in connection with such notice, shall identify to D.P.D. the source of funding thereof (whether from available contingency or otherwise). This Section 3.05(b) is applicable to all Change Orders meeting the criteria set forth herein, including but not limited to Change Orders that constitute an amendment to the Project Budget.

(c) Reallocation among line items. With D.P.D.'s prior written approval, which shall be granted or denied within two (2) business days of receipt by D.P.D. of a written request with respect thereto, Developer may reallocate among line items of the Project Budget the excess, if any, from one line item related to T.I.F.-Funded Improvements to another. Developer may submit a written request to D.P.D. to increase the line item cost related to a T.I.F.-Funded Improvement based upon unforeseen circumstances. D.P.D. shall not unreasonably withhold its approval thereof, subject to the limitations set forth in this Agreement, including but not limited to Section 4 hereof.

3.06 D.P.D. Approval.

Any approval granted by D.P.D. of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required for building permits or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by D.P.D. pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.07 Other Approvals.

Any D.P.D. approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 hereof. Construction of the Project and purchase of materials shall not proceed until Developer has obtained all necessary permits and approvals (including but not limited to D.P.D.'s approval of the Scope Drawings and Plans and Specifications) and proof of each General Contractor's and subcontractor's bonding.

3.08 Progress Reports And Survey Updates.

Developer shall provide D.P.D. with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring D.P.D.'s written approval pursuant to Section 3.05). Developer shall provide three (3) copies of updated surveys to D.P.D. upon completion of the foundation and an as-built survey upon the completion of

each of Phase I and Phase II, and additional surveys upon the request of D.P.D. or any lender providing Lender Financing. Developer shall provide status reports regarding compliance pursuant to the provisions of Section 10 hereof (Employment Opportunity).

3.09 Inspecting Agent Or Architect.

An independent agent or architect (other than Developer's architect) approved by D.P.D. shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project, which amounts may be reimbursed to Developer to the extent that it constitutes a T.I.F.-Funded Improvement and subject to Section 4.01(b) hereof. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to D.P.D., prior to requests for disbursement for costs related to the Project pursuant to the Escrow Agreement.

3.10 Barricades.

Prior to commencing any construction requiring barricades, Developer shall install a construction barricade of a type and appearance satisfactory to City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. D.P.D. retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.11 Signs And Public Relations.

Developer shall erect a sign of size and style approved by City in a conspicuous location on the Property during the Project, indicating that financing has been provided by City. City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in City's promotional literature and communications.

3.12 Utility Connections.

Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.13 Permit Fees.

In connection with the Project, Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

3.14 The Developer.

(a) **Manaster/Culinary.** With the prior written consent of D.P.D. and pursuant to such documentation as D.P.D. may require, all or a portion of the rights and obligations of Manaster as set forth herein may be assumed by Culinary, and all or a portion of the rights and obligations of Culinary as set forth herein may be assumed by Manaster.

(b) **Tyson Acquisition.** As of the date hereof, it is contemplated that, in the near future, substantially all of the assets of Culinary will be sold, pursuant to an asset purchase transaction to Culinary Foods, Inc., a Delaware corporation to be formed ("Culinary-Del.") and wholly owned subsidiary of Tyson Foods, Inc., a Delaware corporation ("Tyson"). The prior written consent, if any, of the City to such sale as required pursuant to Section 8.01(1) and Section 18.15 hereof, may be given by the Commissioner of D.P.D. and shall be contingent upon certain matters, including but not limited to the following: (i) the assumption by Culinary-Del. of all of the executory obligations of the Developer under this Agreement; (ii) the assertion by Culinary-Del. of all of the representations, warranties and covenants made by the Developer herein; and (iii) such other matters as the City may require.

Section 4.

Financing.

4.01 City Funds For T.I.F.-Funded Improvements.

The City may issue T.I.F. Bonds, the proceeds of which may be applied to pay the costs of the T.I.F.-Funded Improvements. If the proceeds of the T.I.F. Bonds are not available by December 31, 1994, the City agrees to use the proceeds of the G.O. Bonds to meet the City's obligations pursuant to Section 4.01(a) hereof.

(a) Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.01 and Section 5 hereof, City hereby agrees to reserve City funds in an amount described in Section 4.02 hereof for financing the T.I.F.-Funded Improvements only (the "City Funds").

(Sub)Exhibit C sets forth, by line item, the maximum amount of costs and expenses that may be reimbursed from City Funds for T.I.F.-Funded Improvements for each such line item, subject to the provisions of Section 3.05 regarding reallocation among such line items. Except as provided in Sections 4.03 and 4.05 hereof, City Funds shall be disbursed through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement with respect to the funding of such draw requests, the terms of this Agreement shall control.

(b) The total for City Funds set forth in Section 4.02 hereof is an estimate only. The actual total for City Funds shall be an amount not to exceed the lesser of Five Million Dollars (\$5,000,000.00) or twenty-seven percent (27%) of the actual total Project costs, with such lesser amount to be further reduced by (i) the City Fee and (ii) an amount equal to forty-one and seven-tenths percent (41.7%) of the aggregate of (A) Net Real Estate Proceeds and (B) Net Insurance Proceeds in excess of \$7,570,286.00.

(c) In addition to the T.I.F.-Funded Improvements set forth on (Sub)Exhibit C, Developer may be reimbursed from City Funds for the following additional Redevelopment Project Costs: (i) costs related to the future relocation, if any, of the business of Culinary located on the Lady Astor Property to the Property; and (ii) any costs for T.I.F.-Funded Improvements in excess of the total amount set forth in (Sub)Exhibit C hereto; provided that the aggregate amount of any such reimbursements plus the amounts received as reimbursement for costs set forth on (Sub)Exhibit C hereof does not exceed the amount described in Section 4.01(b) hereof.

(d) In addition to the T.I.F.-Funded Improvements set forth on (Sub)Exhibit C and amounts that may be reimbursed, if any, pursuant to Section 4.01(c) hereof, Developer may be reimbursed from Incremental Taxes generated by the Project for any additional Redevelopment Project Costs not listed on (Sub)Exhibit C, including but not limited to the following: (i) interest costs and job training costs incurred by Developer in connection with the Project; (ii) costs related to the future relocation, if any, of the business of Culinary located on the Lady Astor Property to the Property; and (iii) any costs for T.I.F.-Funded Improvements in excess of the total amount set forth in (Sub)Exhibit C hereto; provided that (A) the aggregate amount of any such reimbursements plus the amounts received as reimbursement for costs set forth on (Sub)Exhibit C hereof does not exceed the amount described in Section 4.01(b) hereof and the amounts reimbursed, if any, pursuant to Section 4.01(c) hereof, (B) such amounts of Incremental Taxes (1) have not been pledged by City to pay for any outstanding Bonds issued by City from time to time and (2) are permitted to be paid for Redevelopment Project Costs pursuant to the Bond ordinance and indenture related to any such Bond issuance, and (C) the amount to be reimbursed pursuant to this Section 4.01(d) does not, in the

aggregate, exceed the amount of Incremental Taxes generated by the Project as of the date of any such reimbursement request.

4.02 Estimated Cost And Sources.

(a) The total estimated cost of the Project is \$22,574,661.00, consisting of \$1,039,463.00 with respect to acquisition of the Property, \$1,745,800.00 with respect to relocation expenses, \$14,868,669.00 with respect to Phase I and \$4,920,729.00 with respect to Phase II, to be applied in the manner set forth in (Sub)Exhibit M. Such costs shall be funded from the following sources:

Equity	
Net Real Estate Proceeds	\$2,000,000.00
Net Insurance Proceeds	5,570,286.00
Estimated Total Equity	\$ 7,570,286.00
Lender Financing (Culinary/Phase I)	5,084,375.00
Lender Financing (Manaster/Phase II)	4,920,000.00
Estimated City Funds (subject to Section 4.01)	<u>5,000,000.00</u>
ESTIMATED TOTAL:	\$22,574,661.00

(b) The required amount of Equity and/or Lender Financing shall be increased by the amount by which either the Net Real Estate Proceeds or Net Insurance Proceeds exceeds the amount set forth above, and the amount of City Funds shall be reduced by an amount equal to 41.7 percent of such amount, as set forth in Section 4.01 hereof. Developer shall provide documentation to City with respect to such proceeds, as provided in Section 8.19 hereof.

4.03 Treatment Of Prior Expenditures And Subsequent Disbursements.

(a) **Prior Expenditures.** Only those reasonable expenditures made by Developer with respect to the Project prior to the date hereof, evidenced by documentation satisfactory to D.P.D. and approved by D.P.D. as satisfying reasonable costs and expenses covered by the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). D.P.D. shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. The AIA form

Owner's Sworn Statement, being (Sub)Exhibit N hereto, sets forth the prior expenditures approved by D.P.D. as Prior Expenditures. Prior Expenditures made for items other than T.I.F.-Funded Improvements shall not be reimbursed to Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by Developer pursuant to Section 4.02 hereof. Except as provided in Section 4.03(b) hereof, Prior Expenditures made for T.I.F.-Funded Improvements shall be reimbursed to Developer at a later date pursuant to the provisions of Sections 4.03(e) (for Phase I expenditures) or 4.03(g) (for Phase II expenditures) hereof. If such expenses are for non-liable, non-T.I.F.-Funded Improvements, such funds shall not be disbursed through the escrow account established pursuant to the Escrow Agreement, but rather shall be disbursed directly to the payee out of Equity or Lender Financing.

(b) Purchase of Property. The purchase price of \$625,000.00 for the acquisition of the Property by Culinary from Cole Taylor Bank on July 28, 1993 and the transaction costs related thereto set forth below, up to the amount stated, shall be reimbursed to Culinary from the City Funds pursuant to Section 4.03(e) hereof as a T.I.F.-Funded Improvement, directly rather than through the Escrow. Eligible transaction costs are as follows:

Purchase price for Property	\$ 625,000.00
Design and engineering	164,009.83*
Legal and escrow fees	<u>250,453.00*</u>
TOTAL:	\$1,039,462.83*

(c) City Fee. City shall allocate the sum of Forty-five Thousand Dollars (\$45,000.00) for payment of costs incurred by City for the administration and monitoring of the Project. Such fee is an obligation of Developer and shall be disbursed from the City Funds to D.P.D. on the date of the First Construction Disbursement, directly rather than through the Escrow.

(d) Culinary's Phase I Disbursements. All subsequent expenditures for Phase I, up to a maximum cap in an amount equal to \$13,798,669.00 (constituting the total Phase I budget or such lesser amount approved by

* Subject to D.P.D.'s receipt of documentation of such expenditures, satisfactory to D.P.D. in its sole discretion.

D.P.D. pursuant to Change Orders, less the total budget for the Phase I T.I.F.-Funded Improvements, as set forth on (Sub)Exhibits M and C hereof, respectively) plus any additional amounts required to be contributed by Culinary pursuant to (i) cost overruns as described in Section 4.04 hereof and/or (ii) Section 4.02(b) hereof, less approved Prior Expenditures (the "Phase I Cap"), shall be paid through disbursements from the Escrow (which shall be funded on an "as needed" basis, subject to the satisfaction of the requirements for disbursement pursuant to this Agreement and the Escrow Agreement) and shall be charged to either the Equity Subaccount or the Debt Subaccount (collectively, "Developer's Subaccounts").

(e) City's Phase I Disbursements. When disbursements for expenditures in an amount not less than the Phase I Cap have been made from the Developer's Subaccounts, plus any additional amounts subsequently required to be contributed by Culinary pursuant to (i) cost overruns as described in Section 4.04 hereof and (ii) Section 4.02(b) hereof, disbursements previously made for T.I.F.-Funded Improvements for Phase I from either of Developer's Subaccounts shall be reimbursed to Culinary or paid directly to third parties out of the City Funds Subaccount, in an amount not to exceed \$2,815,800.00 (constituting the total budget for Phase I T.I.F. Eligible Improvements as set forth on (Sub)Exhibit C hereto) or such greater or lesser amount as adjusted as of the time of such disbursement pursuant to Sections 4.01(b), 4.01(c) and 4.01(d) hereof, respectively, minus the amount of the previously disbursed City fee as described in Section 4.03(c) hereof. Payments to be made pursuant to this Section 4.01(e) shall be made following the City's receipt of the proceeds of the T.I.F. Bonds or, if such proceeds are not received by December 31, 1994, pursuant to the provisions of Section 4.01 hereof.

(f) Manaster's Phase II Disbursements. All disbursements for expenditures for Phase II, up to a maximum cap in an amount equal to \$3,990,729.00 (constituting the total Phase II budget or such lesser amount approved by D.P.D. pursuant to Change Orders, less the total budget for the Phase II T.I.F.-Funded Improvements, as set forth on (Sub)Exhibits M and C hereof, respectively), plus any additional amounts required to be contributed by Manaster pursuant to (i) cost overruns as described in Section 4.04 hereof and/or (ii) Section 4.02(b) hereof (the "Phase II Cap"), shall be disbursed from the Escrow and shall be charged to either of Developer's Subaccounts.

(g) City's Phase II Disbursements. When disbursements for expenditures in an amount not less than the Phase II Cap have been made from the Developer's Subaccounts, plus any additional amounts subsequently required to be contributed by Manaster pursuant to (i) cost overruns as described in Section 4.04 hereof and (ii) Section 4.02(b) hereof, disbursements previously made for T.I.F.-Funded Improvements for Phase II from either of Developer's Subaccounts shall be reimbursed to Manaster or paid directly to third parties out of funds remaining in the City Funds

Subaccount, in an amount not to exceed \$930,000.00 (constituting the total budget for Phase I T.I.F.-Funded Improvements as set forth on (Sub)Exhibit C hereto) or such greater or lesser amount as adjusted as of the time of such disbursement pursuant to Sections 4.01(b), 4.01(c) and 4.01(d) hereof, respectively. Payments to be made pursuant to this Section 4.01(g) shall be made following the City's receipt of the proceeds of the T.I.F. Bonds or, if such proceeds are not received by December 31, 1994, pursuant to the provisions of Section 4.01 hereof.

4.04 Cost Overruns.

If the aggregate cost of the T.I.F.-Funded Improvements exceeds City Funds available pursuant to Sections 4.01 and 4.02 hereof, and such costs cannot be paid out of additional City Funds pursuant to Section 4.01(c) or 4.01(d) hereof, Developer shall be solely responsible for such excess costs, shall contribute such amounts to either of Developer's Subaccounts and shall hold City harmless from any and all costs and expenses of completing the T.I.F.-Funded Improvements in excess of the City Funds.

4.05 Construction Escrow.

City and Developer hereby agree to enter into the Escrow Agreement with the Title Company or its affiliate, Chicago Title and Trust Company. All disbursements of Project funds (other than for non-liable non-T.I.F.-Funded Improvements documented to D.P.D.'s satisfaction) shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement.

4.06 Conditions Precedent For Disbursement Of Series 1994 T.I.F. Bonds.

Notwithstanding anything to the contrary herein, Developer understands that the proceeds of the Bonds shall not be available for disbursement unless there is compliance with certain preconditions set forth in the Bond Ordinance, the Limited Offering Memorandum and this Agreement. Developer agrees to comply with and satisfy the preconditions to disbursement of the Bonds.

Section 5.

Conditions Precedent.

The following conditions shall be complied with to City's satisfaction within the time periods set forth below:

5.01 Project Budget.

Developer shall have submitted to D.P.D., and D.P.D. shall have approved, a Project Budget in accordance with the provisions of Section 3.05 hereof on or prior to the Closing Date.

5.02 Scope Drawings And Plans And Specifications.

Developer shall have submitted to D.P.D., and D.P.D. shall have approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.03 hereof.

5.03 Other Governmental Approvals.

Not less than five (5) days prior to the First Construction Disbursement for Phase I and the first construction disbursement for Phase II, respectively, Developer shall have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation for Phase I or Phase II, respectively, and submit evidence thereof to D.P.D..

5.04 Financing.

Developer shall have furnished proof reasonably acceptable to City that Developer has sufficient funds on hand or irrevocably available to complete the Project and satisfy its obligations under this Agreement. Developer shall have furnished proof as of the Closing Date that (i) the proceeds of the Lender Financing for Phase I are available to be drawn upon by Developer as needed; (ii) a financial institution has issued a commitment, in form and substance satisfactory to D.P.D., to make a loan to Manaster to provide the Lender Financing for Phase II; and (iii) such funds are sufficient (along with other sources set forth in Section 4.02 hereof) to complete the Project.

5.05 Acquisition And Title.

City Funds in an amount not to exceed the amount set forth in Section 4.03(b) hereof shall be used to reimburse, in whole or in part, the cost to Culinary of the purchase price of the Property and certain transaction costs, provided that Culinary shall have furnished City with a certified, later-dated copy of the Title Policy, showing Culinary as the named insured, with respect to the Property. The Title Policy shall be dated on the date of such reimbursement and shall indicate that the encumbrance of this Agreement is subject only to those title exceptions listed as Permitted Liens on (Sub)Exhibit L hereto, and shall evidence the

recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy shall also contain such endorsements as shall be required by Corporation Counsel, including but not limited to extended coverage and satisfactory endorsements regarding zoning, contiguity, location and survey. Culinary shall have provided to D.P.D., prior to the Closing Date, documentation relating to its purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to D.P.D.'s satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence Of Clean Title.

Prior to the Closing Date, Developer, at its own expense, shall have provided City with current State and county level searches under each Developer's name (and any trade name of either of them) showing no Uniform Commercial Code security interests, judgments, pending suits, federal or state tax liens or fixture filings filed against either Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 Surveys.

Prior to the Closing Date, Developer shall have furnished City with three copies of the Survey.

5.08 Insurance.

Developer shall have insured the Property in accordance with Section 12 hereof. Certificates or binders evidencing the required coverages, along with paid receipts, shall be delivered to D.P.D. in accordance with the requirements of Section 12.

5.09 Opinion Of Developer's Counsel.

Developer shall furnish City with an opinion of counsel on the Closing Date, substantially in the form attached hereto as (Sub)Exhibit O, with such changes as may be acceptable to Corporation Counsel.

5.10 Evidence Of Prior Expenditures.

No later than twenty (20) business days prior to the Closing Date, Developer shall have provided evidence satisfactory to D.P.D. in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.03(a) hereof.

5.11 Financial Statements.

Culinary shall have provided Financial Statements to D.P.D. for its 1993 fiscal year, and audited or unaudited interim financial statements, not less than thirty (30) days prior to the Closing Date. Such interim financial statements shall cover a period ending not more than ninety (90) days earlier than the date of receipt thereof by D.P.D..

5.12 Documentation.

Developer shall provide documentation to D.P.D., satisfactory in form and substance to D.P.D., with respect to Culinary's current employment matters, Net Real Estate Proceeds, if any, and Net Insurance Proceeds received to date.

5.13 Environmental.

Prior to the Closing Date, Developer shall have provided D.P.D. with copies of that certain Phase I environmental audit completed with respect to the Property. Based on D.P.D.'s review thereof, D.P.D. may, in its sole discretion, require the completion of a Phase II environmental audit with respect to the Property prior to the Closing Date. D.P.D. reserves the right to terminate negotiations with respect to this Agreement if, in D.P.D.'s view, such audits reveal the existence of material environmental problems.

5.14 Preconditions Of Disbursement.

Prior to any disbursement of City Funds hereunder, Developer shall submit documentation of such expenditure to D.P.D.. Such documentation and the reasonableness of such expenditure shall be satisfactory to D.P.D. in its sole discretion. Developer shall satisfy all other preconditions of disbursement of the City Funds as provided in the T.I.F. Bond Ordinance, any certifications or representations made by City in connection with the issuance of the T.I.F. Bonds, the T.I.F. Ordinances, this Agreement and/or the Escrow Agreement.

Section 6.

Agreements With Contractors.

6.01 Bid Requirement.

Prior to entering into an agreement with a General Contractor for construction of the T.I.F.-Funded Improvements in each of the Facilities,

Developer shall solicit bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago. Developer shall select the General Contractor submitting the lowest responsible bid for any particular T.I.F.-Funded Improvement who can complete the Project in a timely manner, and shall submit such bid to D.P.D. for its written approval. If Developer selects other than the lowest responsible bid for any T.I.F.-Funded Improvement, Developer shall pay the difference between the lowest responsible bid and the bid selected (which shall be treated as a cost overrun pursuant to the provisions of Section 4.04 hereof). D.P.D. shall have the right to inspect all bids submitted.

6.02 Construction Contract.

Developer shall deliver to D.P.D. a copy of the Phase I Construction Contract and the proposed Phase II Construction Contract with its General Contractor (and/or the General Contractor acting as construction manager on behalf of Developer) selected to handle the Project in accordance with Section 6.01 above, for D.P.D.'s written approval, which shall be granted or denied within five (5) business days after delivery thereof. D.P.D.'s review shall be limited to issues related to compliance with the provisions of this Agreement, including but not limited to this Section 6. Within five (5) business days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer shall deliver to D.P.D. and Corporation Counsel a certified copy of such contract together with any modifications, amendments of supplements thereto.

6.03 Performance And Payment Bonds.

Prior to commencement of each portion of the construction, Developer shall require that its General Contractor or subcontractor, as applicable, provide performance and payment bonds which total in the aggregate the cost of the applicable portion of the construction. All such performance and payment bonds shall be provided by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. City shall be named as obligee or co-obligee on each such bond.

6.04 Employment Opportunity.

Developer shall contractually obligate and cause each General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

6.05 Local Contractors And Vendors.

Developer shall use its best efforts to ensure that all contracts entered into in connection with the T.I.F.-Funded Improvements for work done, services provided or materials supplied shall be let (by the Developer, the General Contractor or any subcontractor) to persons or entities whose main office and place of business is located within the City of Chicago. Each Construction Contract and each contract between the General Contractor and any subcontractor shall contain a provision to this effect.

6.06 Other Provisions.

Each Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.05 (Change Orders), Section 8.09 (Prevailing Wage), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the T.I.F.-Funded Improvements shall be provided to D.P.D. within five (5) days of the execution thereof.

Section 7.

Completion Of Project.

7.01 Certificate Of Completion.

Upon completion of each of Phase I and Phase II of the Project in accordance with the terms of this Agreement, and at Developer's written request, D.P.D. shall issue to Developer a Certificate certifying that Developer has fulfilled its obligation to construct Phase I or Phase II of the Project, respectively, in accordance with the terms of this Agreement; provided, however, that the issuance of any such Certificate shall not operate as a waiver of any of City's rights under this Agreement or any other agreement. D.P.D. shall respond to Developer's written request for a Certificate by issuing, within thirty (30) days of D.P.D.'s receipt of such request, either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement, and any other objections to the issuance of a Certificate which D.P.D. may have, and the measures which must subsequently be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Failure To Complete.

If Developer fails to complete either of Phase I or Phase II of the Project in accordance with the terms of the Agreement and provided City has complied in all material respects with this Agreement and with the disbursement requirements as set out in the Escrow Agreement, then City shall have the right (but not the obligation) to complete the T.I.F.-Funded Improvements and to pay for the costs of the T.I.F.-Funded Improvements (including interest costs) out of the City Funds or other City monies. In the event that the aggregate cost of completing the T.I.F.-Funded Improvements exceeds the amount of the City Funds available pursuant to Sections 4.01 and 4.02, Developer shall reimburse City for all reasonable costs and expenses incurred by City in completing the T.I.F.-Funded Improvements in excess of the available City Funds.

Section 8.

Covenants/Representations/Warranties Of Developer.

Developer (or either or them, as stated herein) represents, warrants and covenants to City as follows:

8.01 General.

Developer (or either of them, as stated herein) represents, warrants and covenants that:

(a) Culinary is an Illinois corporation duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in every other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) Culinary has the right, power and authority to enter into, execute, deliver and perform this Agreement and the bond purchase agreement for Series 1994 T.I.F. Bonds (the "Bond Purchase Agreement").

(c) Manaster is a resident of the City of Chicago and is legally competent and capable of entering into, executing, delivering and performing this Agreement;

(d) The execution, delivery and performance by Culinary of this Agreement and the Bond Purchase Agreement have been duly authorized by all necessary corporate action and will not violate its Articles of Incorporation or bylaws as amended and supplemented;

(e) The execution, delivery and performance by Developer of this Agreement and the Bond Purchase Agreement will not violate any applicable provision of law, or constitute a breach of, default under, require any consent under, or result in the creation of any lien, charge, or encumbrance upon the Project or the Property (except for the encumbrance of this Agreement), or any property of Developer under any agreement, instrument or document to which Developer is now a party or by which Developer is now or may become bound;

(f) Unless otherwise permitted pursuant to Sections 8.15 and 8.16 hereof, Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property free and clear of all liens (except for the Permitted Liens and Lender Financing as disclosed in the Project Budget);

(g) Developer is now and until the issuance of a Certificate of Completion for each of Phase I and Phase II shall remain solvent and able to pay its debts as they mature;

(h) There are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting Developer which would impair its ability to perform under this Agreement;

(i) Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct and complete the Project;

(j) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer is bound;

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

(l) Prior to the issuance of a Certificate with respect to each of Phase I and Phase II, Developer shall not do, and shall not permit any subsidiary to do, any of the following without the prior written consent of D.P.D.: (1) be a party to any merger, liquidation or consolidation; or (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its or his assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into

any transaction outside the ordinary course of Developer's business that would impair Developer's ability to fulfill its obligations under this Agreement; or (4) assume, guarantee or endorse, or otherwise become liable in connection with the obligations of any other entity or person that would impair Developer's ability to fulfill its obligations under this Agreement;

(m) Prior to the issuance of a Certificate with respect to each of Phase I and Phase II, Manaster shall not, without the prior written consent of D.P.D., Sell, transfer, convey or otherwise dispose of any Culinary stock owned by Manaster;

(n) Developer has not incurred, and, prior to the issuance of a Certificate for each of Phase I and Phase II, shall not, without the prior written consent of the Commissioner of D.P.D., allow the existence of any liens against the Property other than the Permitted Liens or incur any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in Section 4.02 hereof, or except as disclosed on (Sub)Exhibit P hereto.

8.02 Covenant To Redevelop.

Upon D.P.D.'s approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Section 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all exhibits attached hereto, the T.I.F. Ordinances, the Bond Ordinance, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer.

8.03 Redevelopment Plan.

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

8.04 Use Of City Funds.

City Funds disbursed to Developer shall be used by Developer solely to pay for the T.I.F.-Funded Improvements as provided in this Agreement.

8.05 Other Bonds.

Developer shall, at the request of City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for City to issue (in its sole discretion) any bonds in connection with the Project (other than the T.I.F. Bonds), the proceeds of which are to be used to reimburse City for expenditures made in connection with the T.I.F.-Funded Improvements; provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer's expense (unless such expense can be paid as a T.I.F.-Funded Improvement pursuant to the terms of Section 4.01(c) or 4.01(d) hereof), cooperate and provide reasonable assistance in connection with the marketing of any such bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting City in preparing an offering statement with respect thereto.

8.06 Job Creation And Retention; Covenant To Remain In The City.

Not less than seven hundred seventy-five (775) jobs shall be retained by Culinary at the Phase I Facility within six months of the completion thereof; and not less than one hundred (100) additional jobs shall be created by Culinary within three (3) years of completion of the Project, for a total of eight hundred seventy-five (875) jobs to be retained or created by Culinary at the Facilities or elsewhere within the City of Chicago through March 7, 2012. Developer hereby covenants and agrees to maintain Culinary's operations within the City of Chicago through March 7, 2012.

8.07 Employment Opportunity.

Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof.

8.08 Employment Profile.

Developer shall submit, and contractually obligate and cause each General Contractor or any subcontractor to submit, to D.P.D., from time to time, statements of its employment profile upon D.P.D.'s request.

8.09 Prevailing Wage.

Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the

prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon City's request, Developer shall provide City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions.

Unless D.P.D. shall have given its prior written consent with respect thereto, no Affiliate of Developer may receive any part of the City Funds, directly or indirectly, through reimbursement of Developer pursuant to Section 4.03(e) or 4.03(g) or otherwise, in payment for work done, services provided or materials supplied in connection with any T.I.F.-Funded Improvement. Developer shall provide information with respect to any entity to receive City Funds (by reimbursement or otherwise), upon D.P.D.'s request, prior to any such disbursement.

8.11 Conflict Of Interest.

Developer represents and warrants that no member, official, or employee of City, or of any commission or committee exercising authority over the Project or the Redevelopment Plan, or any consultant hired by City, owns or controls (or has owned or controlled) any interest, direct or indirect, in Developer's business or the property described in (Sub)Exhibit B hereto; nor shall any such member, official, employee or consultant participate in any decision relating to Developer's business which affects his or her interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

8.12 Disclosure Of Interest.

Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property or any other aspect of the Project.

8.13 Financial Statements.

Culinary shall obtain and provide to D.P.D. Financial Statements for Culinary's fiscal year ended September 26, 1993 and each September 26 thereafter for the Term of the Agreement. In addition, Culinary shall submit unaudited financial statements as soon as reasonably practical

following the close of each fiscal year and for such other periods as D.P.D. may request.

8.14 Insurance.

Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

8.15 Non-Governmental Charges.

Except for the Permitted Liens, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer shall furnish to D.P.D., within thirty (30) days of D.P.D.'s request, official receipts from the appropriate entity, or other proof satisfactory to D.P.D., evidencing payment of the Non-Governmental Charge in question. Developer shall have the right, before any delinquency occurs, (i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify, or extend Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or (ii) at D.P.D.'s sole option, to furnish a good and sufficient bond or other security satisfactory to D.P.D. in such form and amounts as D.P.D. shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.16 Developer's Liabilities.

Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer shall immediately notify D.P.D. of any and all events or actions which may materially affect

Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance With Laws.

To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon City's request, Developer shall provide evidence satisfactory to City of such compliance.

8.18 Recording And Filing.

Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to City an executed original of this Agreement showing the date and recording number of record.

8.19 Documentation.

Developer shall provide to D.P.D. all information and documentation (together with supporting data) necessary to enable D.P.D. to determine and verify the actual amount of (a) Net Real Estate Proceeds, (b) Net Insurance Proceeds, and (c) fire-related losses with respect to the George Street Property. Developer shall provide a certificate with respect thereto at D.P.D.'s request.

8.20 Conditional Provisions.

The covenants set forth in (Sub)Exhibit O hereto, in their entirety or selectively, will become effective at the sole option of City and upon City's receipt of an opinion from nationally recognized bond counsel that the effectiveness of those provisions will not adversely affect the tax-exempt status of the Bonds or the T.I.F. Bonds. In the event that City exercises its option to make any covenant(s) in (Sub)Exhibit O effective, it shall so notify Developer in accordance with Section 17 hereof.

8.21 Title Policies.

(a) Upon sale to Culinary-Del., if any. On the date of Culinary's sale, if any, of the Property to Culinary-Del., Culinary-Del. shall have furnished City with a certified, later-dated copy of the Title Policy, showing Culinary-Del. as the named insured with respect to the Property. Such Title Policy shall be dated on the date of the acquisition of the Property, and shall indicate that the encumbrance of this Agreement is subject only to those title exceptions listed as Permitted Liens on (Sub)Exhibit L hereto, and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. Each Title Policy shall also contain such endorsements as shall be required by Corporation Counsel, including but not limited to extended coverage and satisfactory endorsements regarding zoning, contiguity, location and survey. Culinary-Del. shall provide to D.P.D. documentation relating to its purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to D.P.D.'s satisfaction, by the Title Policy and any endorsements thereto.

(b) Conveyance of the Phase II Property and Phase II Facility in the Absence of a Sale to Culinary-Del.. The Phase II Property shall be conveyed by Culinary to Manaster prior to the commencement of construction by Manaster or the Phase II Facility, for an amount not in excess of its fair market value, pursuant to a real estate contract in form and substance satisfactory to D.P.D.. The Phase II Property and Phase II Facility shall be reconveyed by Manaster to Culinary, within the time frame set forth in Section 3.02 hereof, for an amount not in excess of its fair market value, pursuant to a real estate contract in form and substance satisfactory to D.P.D.. On the date of Culinary's sale of the Phase II Property to Manaster and upon the date of Manaster's reconveyance of the Phase II Property and Phase II Facility to Culinary, the respective Developer in title shall have furnished City with a certified, later-dated copy of the Title Policy, showing such Developer as the named insured with respect to the Phase II Property. Each Title Policy shall be dated on the date of the acquisition of the Phase II Property by such Developer, respectively, and shall indicate that the encumbrance of this Agreement is subject only to those title exceptions listed as Permitted Liens on (Sub)Exhibit L hereto, and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. Each Title Policy shall also contain such endorsements as shall be required by Corporation Counsel, including but not limited to extended coverage and satisfactory endorsements regarding zoning, contiguity, location and survey.

8.22 Accuracy Of Representations.

All of the information contained in the Redevelopment Plan regarding the Redevelopment Area, the Project (if any) and the Developer (if any) is true, correct and complete. All of the information contained in that

certain Limited Offering Memorandum prepared or to be prepared in connection with the Series 1994 T.I.F. Bonds (the "Limited Offering Memorandum") set forth in the sections titled [The Culinary Foods Redevelopment Project] and the "The Redevelopment Agreement" is or shall be true, correct and complete in all material respects.

8.23 Survival Of Covenants.

All warranties, representations, covenants and agreements of Developer contained in this Section 8 or elsewhere in this Agreement shall be true, accurate, and complete at the time of Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

Section 9.

Covenants/Representations/Warranties Of City.

9.01 General Covenants.

City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder and that City Funds are available as of the date hereof to perform such obligations in accordance with the terms of this Agreement, and shall remain available to fund City's obligations hereunder as same become due.

9.02 Survival Of Covenants.

All warranties, representations, and covenants of City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

Section 10.

Employment Opportunity.

Developer and its successors and assigns hereby agree, and shall

scontractually obligate and cause its or their General Contractor, subcontractors or any Affiliate of Developer operating on the Property (individually an "Employer" and collectively, "Employers") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other such party's provision of services hereunder or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, Ch. 2-160, Section 2-160-010, et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. 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. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by City setting forth the provisions of this nondiscrimination clause.

(b) To the greatest extent reasonably feasible, each Employer shall create training and employment opportunities for the benefit of low- and moderate-income residents of the Redevelopment Area. Moreover, to the greatest extent reasonably possible, contracts for work performed in connection with the Project shall be awarded by Employer to business concerns located in, or owned in substantial part by persons residing in, the Redevelopment Area.

(c) All solicitation or advertisement for employees placed by or on behalf of any Employer shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income.

(d) Each Employer shall make a good faith effort to hire City residents for any temporary or permanent job vacancies created by the construction, development or use of the Facilities. Developer shall submit reports to D.P.D. from time to time detailing its compliance with this provision within thirty (30) days after receipt of a written request from D.P.D. with respect thereto.

(e) Each Employer shall comply with federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101, et seq. (1992), and any subsequent amendments and regulations promulgated pursuant thereto.

(f) Developer shall expend at least the following percentages of the total Project Budget (minus Property acquisition costs and relocation expenses) for contract participation by M.B.E.s or W.B.E.s in the Project:

M.B.E. Percentage

W.B.E. Percentage

17.7%

4.8%

This commitment may be met by Developer's status as an M.B.E. or W.B.E., or by a joint venture with one or more M.B.E.s or W.B.E.s (to the extent of the M.B.E. or W.B.E. participation in such joint venture), by using an M.B.E. or W.B.E. as General Contractor, by subcontracting or causing the General Contractor to subcontract a portion of the work to one or more M.B.E.s or W.B.E.s, by the purchase of materials used in the Project from one or more M.B.E.s or W.B.E.s, or by the indirect participation of M.B.E.s or W.B.E.s in other aspects of Developer's business or by any combination of the foregoing. Those businesses that constitute both an M.B.E. and W.B.E. shall not be credited more than once against Developer's M.B.E. or W.B.E. commitment. Developer may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of M.B.E.s or W.B.E.s in its activities and operations other than the Project. City may require Developer to demonstrate the specific efforts undertaken to involve M.B.E.s and W.B.E.s directly in the Project. Upon the written request of D.P.D., periodic reports shall be made by Developer to D.P.D. on all efforts made to achieve compliance with the foregoing provisions. Such reports shall include the name and business address of each M.B.E. and W.B.E. solicited by Developer to work as General Contractor or subcontractor and the responses received to such solicitation, the name and business address of each M.B.E. and W.B.E. actually involved in the Project, a description of the work performed and/or products or services supplied, the date and amount of each expenditure and such other information as may assist City in determining Developer's compliance with the foregoing provisions, and the status of any M.B.E. or W.B.E. performing any contract in connection with the Project. City shall have access to Developer's books and records, including without limitation payroll records, tax returns and records and books of account, on five (5) days notice, to allow City to review Developer's compliance with its commitment to M.B.E./W.B.E. participation.

(g) Each Employer will include the foregoing provisions of this Section 10 in every contract entered into in connection with the Project, and will require the inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property so that such provision will be binding upon each contractor or subcontractor or Affiliate, as the case may be. Upon the written request of D.P.D., periodic reports shall be made by each Employer to D.P.D. on all efforts made to achieve compliance with the provisions of this Section 10.

Section 11.

Environmental Matters.

Developer hereby represents and warrants to City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all (sub)exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the Bond Ordinance and the Redevelopment Plan.

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

Section 12.

Insurance.

Developer shall procure and maintain, or cause to be maintained, at all times throughout the Term of this Agreement, and until each and every obligation of Developer contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by Developer, any contractor or subcontractor:

- (a) **Prior to Execution and Delivery of this Agreement: At least ten (10) business days prior to the execution of this Agreement, the Developer shall procure and maintain the following kinds and amounts of insurance:**

- (i) **Workers' Compensation And Occupational Disease Insurance.**

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under or in connection with this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

- (ii) **Commercial Liability Insurance (Primary And Umbrella).**

Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, independent contractors, broad form property damage and contractual liability coverages are to be included. The City of Chicago is to be named as an additional insured.

- (b) **Construction: Prior to the construction of any portion of the Project, Developer shall procure and maintain, or cause to be maintained, the following kinds and amounts of insurance:**

(i) **Workers' Compensation And Occupational Disease Insurance.**

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service in connection with this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) **Commercial Liability Insurance (Primary And Umbrella).**

Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, explosion, collapse, underground, independent contractors, broad form property damage and contractual liability coverages are to be included. The City of Chicago is to be named as an additional insured.

(iii) **Automobile Liability Insurance.**

When any motor vehicles are used in connection with work to be performed in connection with this Agreement, Developer shall provide Automobile Liability Insurance with limits of not less than \$1,000,000.00 per occurrence combined single limit, for bodily injury and property damage. The City of Chicago is to be named as an additional insured.

(iv) **All Risk Blanket Builder's Risk Insurance.**

When Developer, any contractor or subcontractor undertakes any construction, including improvements, betterments, and/or repairs, Developer, such contractor or subcontractor shall provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include boiler and machinery, and flood.

(v) Professional Liability.

When any architects, engineers or consulting firms perform work in connection with this Agreement, Professional Liability Insurance shall be maintained with limits of \$1,000,000.00 or such lower amount as may be approved by City. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project.

(c) Other Provisions.

All insurance policies shall provide that City shall be given 30 days prior written notice of any modification, renewal or cancellation. Original certificates of insurance evidencing the required coverages and renewal certificates of insurance or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement or prior to completion of construction of the Project, as applicable, shall be delivered in a timely manner, as herein required, to the City of Chicago, Department of Finance, Risk Management Office, Room 400, 333 South State Street, Chicago, Illinois 60604. If Developer fails to obtain or maintain any of the insurance policies required under this Agreement or to pay any insurance policies required under this Agreement, or to pay any premium in whole or in part when due, City may (without waiving or releasing any obligation of Event of Default by Developer hereunder) obtain and maintain such insurance policies and take any other action which City deems advisable to protect its interest in the Property and/or the Project. All sums so disbursed by City including reasonable attorneys' fees, court costs and expenses, shall be reimbursed by Developer upon demand by City.

Developer agrees, and shall cause each contractor and subcontractor to agree, that any insurance coverages and limits furnished by Developer and such contractors and subcontractors shall in no way limit Developer's liabilities and responsibilities specified under this Agreement or any related documents or by law, or such contractor's or subcontractor's liabilities and responsibilities specified under any related documents or by law. Developer shall require all contractors and subcontractors to carry the insurance required herein, or Developer may provide the coverage for any or all contractors and subcontractors, and if so, the evidence of insurance submitted shall so stipulate.

Developer agrees, and shall cause its insurers and the insurers of each contractor and subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against City.

Developer shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commissioner's Regulations Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transport of Hazardous Materials.

City maintains the right to modify, delete, alter or change the provisions of this Section 12 so long as such action does not, without Developer's prior written consent, increase the requirements set forth in this Section 12 beyond that which is reasonably customary at such time.

Section 13.

Indemnification.

Developer agrees to indemnify, defend and hold City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including without limitation, reasonable attorneys' fees and court costs) suffered or incurred by City arising from or in connection with (i) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the T.I.F.-Funded Improvements or any other Project improvement, or (iii) the existence of any material misrepresentation or omission in any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or its agents, employees, contractors or persons acting under the control or at the request of Developer or (iv) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto.

Section 14.

Maintaining Records/Right To Inspect.

14.01 Books and Records.

Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total

actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights.

Any authorized representative of City shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

Section 15.

Default And Remedies.

15.01 Events of Default.

The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by Developer hereunder:

(a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;

(b) Intentionally Omitted.

(c) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(d) the making or furnishing by Developer to City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(e) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto (other than the Permitted Liens or liens created in connection with the financing of equipment and/or machinery used in connection with Developer's business), or the making or any attempt to make any levy, seizure or attachment thereof;

(f) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that such Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within thirty (30) days after the commencement of such proceedings;

(g) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within thirty (30) days after the commencement thereof;

(h) the entry of any judgment or order against Developer which remains unsatisfied or undischarged and in effect for thirty (30) days after such entry without a stay of enforcement or execution;

(i) the death of Manaster; the dissolution of Culinary; or the death of any other natural person who owns a material interest in Culinary, provided that such death shall have a material adverse effect on Culinary; or

(j) the institution in any court of a criminal proceeding other than a misdemeanor against Developer or any natural person who owns a material interest in Culinary, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in Culinary, for any crime.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in Culinary shall be one owning in excess of thirty-three percent (33%) of Culinary's issued and outstanding shares of stock.

15.02 Remedies.

Upon the occurrence of an Event of Default, City may terminate this Agreement and all related agreements, and may suspend disbursement of the City Funds. City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein.

15.03 Curative Period.

In the event Developer shall fail to perform a covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer shall have failed to cure such default within sixty (60) days of its receipt of a written notice from City specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such sixty (60) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such sixty (60) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

Section 16.

Mortgaging Of The Project.

All mortgages currently in place with respect to the Project are listed on (Sub)Exhibit L hereto, including mortgages made in connection with Lender Financing. In the event that Developer shall hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof, a mortgage(s) or deed(s) of trust (any such mortgage or deed of trust being hereinafter referred to as the "Mortgage" and the holder of the same being hereinafter referred to as the "Mortgagee"), then it is hereby agreed by and between City and Developer as follows:

(a) Prior to the issuance by City to Developer of a Certificate of Completion pursuant to Section 7 hereof with respect to either Phase I or Phase II, no such Mortgage shall be executed on the Phase I Facility or Phase II Facility, respectively, without the prior written consent of the Commissioner of D.P.D..

(b) In the event that the Mortgagee or any other party shall succeed to the Developer's interest in the Property pursuant to the exercise of

remedies under a Mortgage, whether by foreclosure, deed in lieu of foreclosure, or otherwise, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.16 hereof, City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party shall have no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such Mortgagee or other party succeeding to the Developer's interest in the Property does not expressly accept an assignment of Developer's interest hereunder, such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

Section 17.

Notice.

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

If To City:

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

With Copies To:

City of Chicago
 Department of Law
 Finance and Economic
 Development Division
 Room 511
 121 North LaSalle Street
 Chicago, Illinois 60602

If To Culinary: Culinary Foods, Inc.
2855 North Lincoln Avenue
Chicago, Illinois 60657

If To Manaster: Mr. Murray Manaster
2855 North Lincoln Avenue
Chicago, Illinois 60657

With Copies To: Tully & Weinstein
Suite 1500
77 West Washington Street
Chicago, Illinois 60602

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to clause (d) shall be deemed received two business days following deposit in the mail.

Section 18.

Miscellaneous.

18.01 Amendment.

This Agreement and the exhibits attached hereto may not be amended without the prior written consent of City.

18.02 Entire Agreement.

This Agreement (including each exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

18.03 Limitation Of Liability.

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

18.04 Further Assurances.

Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certificates as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05 Waiver.

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

18.06 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 other remedies of such party unless specifically so provided herein.

18.07 Disclaimer.

Nothing contained in this Agreement nor any act of City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving City.

18.08 Headings.

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

18.09 Counterparts.

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

18.10 Severability.

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

18.11 Conflict.

In the event of a conflict between any provisions of this Agreement and the provisions of the Bond Ordinance, the Bond Ordinance shall prevail and control.

18.12 Governing Law.

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

18.13 Form Of Documents.

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

18.14 Approval.

Wherever this Agreement provides for the approval or consent of City or D.P.D., or any matter is to be to City's or D.P.D.'s satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by City or D.P.D. in writing and in its sole discretion.

18.15 Assignment.

Prior to the issuance by City to Developer of a Certificate of Completion for both Phase I and Phase II, pursuant to Section 7 hereof, Developer may

not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of City. Notwithstanding the issuance of such Certificates, any successor in interest to Developer under this Agreement shall certify in writing to City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.20 and 8.21 hereof, for the Term of the Agreement. Developer consents to City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part. Culinary and Manaster may assign their respective rights and obligations under this Agreement to each other pursuant to the provisions of Section 3.14 (a) hereof.

18.16 Binding Effect.

This Agreement shall be binding upon Developer and its successors, heirs and permitted assigns and shall inure to the benefit of City, its successors and assigns.

18.17 Joint And Several Liability.

Each of the obligations hereby undertaken by each Developer under this Agreement shall be their joint and several obligations.

[The Remainder Of This Page Is Intentionally Left Blank.]

Given under my hand and official seal this _____ day of _____, 1994.

Notary Public

My commission expires: _____

(Seal)

State of Illinois)
) SS:
County of Cook)

I, _____, a notary public in and for the said County, in the State aforesaid, do hereby certify that _____, personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Given under my hand and official seal this _____ day of _____, 1994.

Notary Public

My commission expires: _____

(Seal)

State of Illinois)
) SS:
County of Cook)

I, _____, a notary public in and for the said County, in the State aforesaid, do hereby certify that Murray Manaster, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument as his free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal this _____ day of _____, 1994.

Notary Public

My commission expires: _____

(Seal)

[(Sub)Exhibits "H" and "N" referred to in this
Redevelopment Agreement unavailable
at time of printing.]

[(Sub)Exhibit "O" referred to in this Redevelopment
Agreement on file and available for public
inspection in the Office of the
City Clerk.]

(Sub)Exhibits "A", "B", "C", "D", "E", "F", "G", "I", "J", "K", "L", "M", "P",
"Q", "R" and "S" referred to in this Redevelopment Agreement read as follows:

(Sub)Exhibit "A".

The legal description of the Stockyards Industrial-Commercial Redevelopment Project Area is as follows:

That part of the east half of the southwest quarter of Section 6; part of the west half of the southeast quarter of Section 6; part of the northeast quarter of Section 6 and Section 5, all in Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the intersection of the east line of Damen Avenue as dedicated and the south line of said Section 6; thence west 1,230.4 feet along said south line (also being the center line of 47th Street) to the easterly right-of-way line of the Chicago River and Industrial Railroad Company; thence northeasterly along last said easterly line to a line 347.5 feet west of the east line of said southwest quarter of Section 6; thence north on last said west line to the north line of the southeast quarter of said southwest quarter; thence northeasterly along a track right-of-way to the center line of vacated 44th Street, said point being 176.27 feet west of the west line of Wolcott Avenue; thence continuing north along said track to the south line of 43rd Street, said point being 130 feet west of the west line of Wolcott Avenue; thence west along the south line of 43rd Street to the north and south center line of said Section 6; thence north along last said north and south center line to the northerly most track in the vacated channel of the south branch of the Chicago River; thence easterly along said track to the west line of the east 2,013.04 feet of the northeast quarter of Section 6; thence east 923 feet along a line to a point 513 feet south of the north line of said Section 6; thence south 15.58 feet; thence east 1,115.55 feet along a line 548.58 feet south of the north line of said Section 6 to the east line of Ashland Avenue; thence south along said east right-of-way line to the south line of the west fork of the south fork of the south branch of the Chicago River as filled (also being the north line of Lot 4 in Circuit Court partition of the northwest quarter of Section 5); thence northeast, southeast and east along the northerly line of said Lot 4 to the north right-of-way line of the Penn Central Railroad main right-of-way; thence northeasterly along last said north right-of-way line to the east line of the northwest quarter of the northwest quarter of said Section 5; thence north along last said east line to the north line of the northwest quarter of said Section 5; thence east along last said north line 900 feet; thence south to the south right-of-way line of Pershing Road at the intersection of a railroad spur track 360 feet more or less west of the east line of the northwest quarter of Section 5; thence southeast 156 feet to the east line of a tract of land having a tax number of 20-05-102-044; thence southerly along last said east line to the north right-of-way line

of the Penn Central main line; thence westerly along last said north line to the east line of Packers Avenue extended north; thence south along last said east line to the southerly most spur track of said railroad; thence southeast along said spur track to the south line of Lot 2 in Packer's Addition to Chicago; thence east along said south line to the east line of the northwest quarter of said Section 5; thence continuing east to the east right-of-way line of Racine Avenue in the northeast quarter of said Section 5; thence south along said east line to the south right-of-way line of 43rd Street; thence westerly along last said south right-of-way line to the west line of Ashland Avenue as dedicated; thence north along last said west line to the north right-of-way line of Lots 1 and 2 of Sulzberger and Sons Company's Block C Subdivision; thence westerly along last said north line to a line 932.8 feet west of and parallel to the west line of Ashland Avenue; thence south 603.95 feet along last said line to the center line of 42nd Street extended west; thence west along last said center line to the east right-of-way line of Wolcott Avenue; thence south along last said east line to the south line of 46th Street as dedicated; thence west along last said south line to the east line of Damen Avenue; thence south along last said east line to the place of beginning, all in City of Chicago, Cook County, Illinois.

(Sub)Exhibit "B".

Legal Description Of The Property.

All of Lots 1 through 17, both inclusive, Lots 18 through 34, both inclusive (except the west 10.0 feet thereof taken for Ashland Avenue) in Block 3, together with the 20 foot wide private alley in said Block 3 of Packer's 5th Addition; also, Lots 1 through 17, both inclusive, in Block 4, together with all of the 20 foot wide private alley lying east and adjoining said Block 4 and including the 66 foot wide private street No. 4 lying west and adjoining said Block 4, all in said Packer's 5th Addition, being a subdivision in the southwest quarter of the northwest quarter of Section 5, Township 38 North, Range 14, East of the Third Principal Meridian; also, all of Lot 4 and that part of Lot 3 which lies west of a line 740 feet east of and parallel with the east line of Ashland Avenue as widened, in Block 2 in Packer's 2nd Addition to Chicago, being a subdivision of the west 1,025 feet of the south half of the northwest quarter of Section 5, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

*(Sub)Exhibit "C".**T.I.F.-Funded Improvements.
(75,000 Square Foot Phase II Facility)*

Land Acquisition	\$ 625,000
Architectural/Engineering	164,010
Legal Fees/Escrow	250,453
TOTAL ACQUISITION COSTS:	<u>\$1,039,463</u>

Phase I

Site Clearance/Demolition	\$ 628,140
Earthwork	356,860
Temporary Fencing	10,000
Total Hard Costs, Phase I:	995,000
Architectural/Engineering	75,000
Total Costs Phase I:	\$1,070,000

Phase II

Site Clearance/Demolition	\$ 650,000
Earthwork	180,000
Additional Acquisition	50,000
Total Hard Costs, Phase II:	880,000
Architectural/Engineering	50,000
Total Costs Phase II:	\$ 930,000

Relocation

Utility Hook-Ups	\$ 970,000
Transport/Connections	775,800
Total Relocation Expense:	1,745,800
Total T.I.F.-Funded Improvements:	\$4,785,263

(Sub)Exhibit "D".

[Intentionally Omitted]

(Sub)Exhibit "E".

Phase I Parcel

A parcel of land being all of Lots 1 through 17, both inclusive, Lots 18 through 34, both inclusive (except the west 10 feet thereof taken for Ashland Avenue) in Block 3, together with the 20 foot wide private alley in said Block 3 of Packer's Fifth Addition; also part of Lots 1 through 17, both inclusive, in Block 4, together with the 66 foot wide private street No. 4 lying west and adjoining said Block 4, all in Packer's Fifth Addition, being a subdivision in the southwest quarter of the northwest quarter of Section 5, Township 38 North, Range 14, East of the Third Principal Meridian per Document No. 144041, recorded July 25, 1877, and which is more particularly described as follows:

beginning at the point of intersection of the north right-of-way line of private street No. 3 with the east line of Ashland Avenue, as widened; thence north 00 degrees 00 minutes 00 seconds east along and upon said east line, for a distance of 412.26 feet to a point on the south right-of-way line of private street No. 2; thence north 89 degrees 52 minutes 02

seconds east along and upon said south right-of-way line, for a distance of 495.28 feet; thence south 00 degrees 01 minutes 39 seconds east for a distance of 412.26 feet to a point on said north right-of-way line; thence south 89 degrees 52 minutes 02 seconds west along and upon said north right-of-way line for a distance of 495.48 feet to the point of beginning.

Containing 4.6884 acres or 204,226 square feet, more or less, all in the City of Chicago, Cook County, State of Illinois.

(Sub)Exhibit "F"

Phase II Parcel

A parcel of land being part of Lots 1 through 17, both inclusive, in Block 4, together with all of the 20 foot wide private alley lying east and adjoining said Block 4 all in Packer's Fifth Addition, being a subdivision in the southwest quarter of the northwest quarter of Section 5, Township 38 North, Range 14, East of the Third Principal Meridian per Document No. 144041 recorded July 25, 1877; also, all of Lot 4 and that part of Lot 3 which lies west of a line 740.00 feet east of and parallel with the east line of Ashland Avenue as widened, in Block 2 in Packer's Second Addition to Chicago, being a subdivision of the west 1,025 feet of the south half of the northwest quarter of Section 5, Township 38 North, Range 14, East of the Third Principal Meridian, per Document No. 67891 recorded November 12, 1872, and which is more particularly described as follows:

commencing at the point of intersection of the north right-of-way line of private street No. 3 with the east line of Ashland Avenue as widened; thence north 00 degrees 00 minutes 00 seconds east along and upon said east line, for a distance of 412.26 feet to a point on the south right-of-way line of private street No. 2; thence north 89 degrees 52 minutes 02 seconds east along and upon said south right-of-way line, for a distance of 495.28 feet to a point of beginning; thence north 89 degrees 52 minutes 02 seconds east continuing along and upon said north line, for a distance of 244.72 feet; thence south 00 degrees 00 minutes 00 seconds east along and upon the line which is 740.00 feet east of and parallel with the east line of Ashland Avenue as widened, for a distance of 412.26 feet to a point on the north right-of-way line of said private street No. 3; thence south 89 degrees 52 minutes 02 seconds west along and upon said north right-of-way line, for a distance of 244.52 feet; thence

north 00 degrees 01 minutes 39 seconds west for a distance of 412.26 feet to the point of beginning.

Containing 2.3151 acres or 100,846 square feet, more or less, in the City of Chicago, Cook County, State of Illinois.

Exhibit "G".

Redevelopment Plan

City Of Chicago

Stockyards Industrial-Commercial Redevelopment Area

Tax Increment Finance Program

Redevelopment Plan

December, 1988

*Eugene Sawyer
Acting Mayor.*

I.

Introduction.

One of the most historically significant of Chicago's many diverse neighborhoods is the Back of the Yards, located on the City's southwest side. This area was world renowned as the center of the nation's meat packing industry in the early part of the 20th Century. In order to accommodate the meat packing industry, numerous train lines served the stockyards packing area, primarily in the square mile between 39th Street and 47th Street, from Halsted Street to Ashland Avenue (known as the Union Stockyards). The area, once a port of entry for immigrants, offered a wide variety of retail services and employment opportunities. With the closing of the Stockyards due to the movement of meat packing industry to more western states in the second half of the 20th Century, the area gradually declined as economic and consumer patterns changed. The buildings left by the packers became functionally and economically obsolete and most began to deteriorate.

At the same time, the advent of regional and strip shopping centers changed consumer shopping patterns and brought decline to the two primary shopping streets, 47th Street and Ashland Avenue.

While there has been a general decline in the economic strength of the Back of the Yards area, it possesses several strong elements which have helped to maintain a level of economic vitality through the years of decline, and provide a base for revitalization.

Chief among these is the redevelopment of the Stockyards meat packing center as a major modern industrial park. The industrial park, developed with assistance of the Back of the Yards Neighborhood Council, the City of Chicago and the United States Department of Commerce -- Economic Development Administration, the United States Department of Housing and Urban Development and various other federal agencies has created over 100 new businesses employing in excess of 7,000 persons. The industrial park is now nearly filled, and the only nearby vacant area which can be developed lacks cleared land, roadways and utilities.

However, the Back of the Yards area does have extensive vacant, under-utilized and blighted areas available for development for both commercial and industrial use. This land has not been developed in the past because of: (1) soil problems; (2) environmental issues; (3) toxic waste; (4) building abandonment; (5) lack of public infrastructure; and (6) deterioration and blight of existing structures.

To assist in the development of new industrial and commercial centers within the Back of the Yards area, various agencies have joined together. The lead organization in this strategy is the Back of the Yards Neighborhood Council ("B.Y.N.C.") a not-for-profit group composed of all sectors of the community, which has worked along with the City of Chicago Department of Economic Development, the Economic Development Commission of Chicago and neighborhood businesses and residents, in developing a framework to guide and direct the revitalization of the Stockyards Industrial-Commercial Redevelopment Area. In developing the framework, a consensus building approach was adopted by the Back of the Yards Neighborhood Council. While there has been development in the Back of the Yards area by the private sector, much of the remaining land which can be put to productive use needs substantial investment of public funds in order to achieve such productive development.

Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation as a redevelopment project, utilizing the State of Illinois tax increment financing legislation. The area is characterized by conditions which warrant its designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereinafter

referred to as the "Act"). The Act is found in the Illinois Revised Statutes, Chapter 24, Section 11-74.4-1, et seq., as amended.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project", to redevelop blighted areas by pledging the increase in tax revenues generated by public and private redevelopment in order to pay for the up front public costs which are required to stimulate such private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value (the certified E.A.V. base) for all real estate located within the district and the current year E.A.V. Any increase in E.A.V. is then multiplied by the current tax rate, which determines the incremental real property tax.

The Stockyards Industrial-Commercial Redevelopment Area Project and Plan (hereafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project".

This Redevelopment Plan also specifically describes the Stockyards Industrial-Commercial Tax Increment Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirement of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, Boundary Map.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

The purpose of this Redevelopment Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of the Redevelopment Plan makes possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area -- an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments will create the appropriate environment to attract the investment required for the rebuilding of the area.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided in accordance with the Act. The Redevelopment Project Area would not reasonably be developed without the use of such incremental revenues.

II.

Redevelopment Project Area And Legal Description.

The Stockyards Industrial-Commercial Redevelopment Area is located on the southwest side of the City of Chicago and is generally described as beginning at the northwest corner of 47th Street and Damen Avenue and includes the area between 47th Street and the Baltimore & Ohio (B. & O.) Railroad tracks; proceeding east to Wolcott Street north of 46th Street; then proceeding north between Wolcott Street and the spur line immediately to the west of Wolcott Street; then north of 43rd Street encompassing the area between Wolcott Street extended and the B. & O. tracks to 42nd Street extended; then proceeding between 42nd Street extended and the north end of the Conrail property approximately 700 feet north of the Conrail rights-of-way from the B. & O. track to Hermitage Avenue extended; then between Hermitage Avenue and Ashland Avenue between the north edge of the Conrail property and the property line approximately 700 feet north of 42nd Street, from this point across Ashland Avenue; then south to 43rd Street and east to Racine Avenue, including the property north of West 43rd Street and west of Racine Avenue to 39th Street, excepting the property fronting along 39th Street from Ashland Avenue to Loomis Street extended and the property between Racine Avenue and the spur lines immediately to the west of Racine Avenue between 39th Street and Exchange Avenue extended. The study area is approximately six miles southwest of Chicago's central business district. The area is currently occupied primarily by vacant land, industrial buildings and railroad tracks and adjacent railroad property, with a small portion of commercial property.

The legal description of the Stockyards Industrial-Commercial Redevelopment Area is as follows:

that part of the east half of the southwest quarter of Section 6; part of the west half of the southeast quarter of Section 6; part of the northeast quarter of Section 6 and Section 5, all in Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the intersection of the east line of Damen Avenue as dedicated and the south line of said Section 6; thence west 1,230.4 feet along said south line (also being the center line of 47th Street) to the easterly right-of-way line of the Chicago River and Industrial Railroad Company; thence northeasterly along last said easterly line to a line 347.5 feet west of the east line of said southwest quarter of Section 6; thence north on last said west line to the north line of the southeast quarter of said southwest quarter; thence northeasterly along a track right-of-way to the center line of vacated 44th Street, said point being 176.27 feet west of the west line of Wolcott Avenue; thence continuing north along said track to the south line of 43rd Street, said point being 130 feet west of the west line of Wolcott Avenue; thence west along the south line of 43rd Street to the north and south center line of said Section 6; thence north along last said north and south center line to the northerly-most track in the vacated channel of the south branch of the Chicago River; thence easterly along said track to the west line of the east 2,013.04 feet of the northeast quarter of Section 6; thence east 923 feet along a line to a point 513 feet south of the north line of said Section 6; thence south 15.58 feet; thence east 1,115.55 feet along a line 548.58 feet south of the north line of said Section 6 to the east line of Ashland Avenue; thence south along said east right-of-way line to the south line of the west fork of the south fork of the south branch of the Chicago River as filled (also being the north line of Lot 4 in Circuit Court Partition of the northwest quarter of Section 5); thence northeast, southeast and east along the northerly line of said Lot 4 to the north right-of-way line of the Penn Central Railroad main right-of-way; thence northeasterly along last said north right-of-way line to the east line of the northwest quarter of the northwest quarter of said Section 5; thence north along last said east line to the north line of the northwest quarter of said Section 5; thence east along last said north line 900 feet; thence south to the south right-of-way line of Pershing Road at the intersection of a railroad spur track 360 feet, more or less, west of the east line of the northwest quarter of Section 5; thence southeast 156 feet to the east line of a tract of land having a tax number of 20-05-102-044; thence southerly along last said east line to the north right-of-way line of the Penn Central main line; thence westerly along last said north line to the east line of Packer Avenue, extended north; thence south along last said east line to the southerly-most spur track of said railroad; thence southeast along said spur

track to the south line of Lot 2 in Packer's Addition to Chicago; thence east along said south line to the east line of the northwest quarter of said Section 5; thence continuing east to the east right-of-way line of South Racine Avenue in the northeast quarter of said Section 5; thence south along said east line to the south right-of-way line of 43rd Street; thence westerly along last said south right-of-way line to the west line of Ashland Avenue as dedicated; thence north along last said west line to the north right-of-way line of Lots 1 and 2 of Sulzberger and Sons Company's Block C Subdivision; thence westerly along last said north line to a line 932.8 feet west of and parallel to the west line of Ashland Avenue; thence south 603.95 feet along last said line to the center line of 42nd Street, extended west; thence west along last said center line to the east right-of-way line of Wolcott Avenue; thence south along last said east line to the south line of 46th Street as dedicated; thence west along last said south line to the east line of Damen Avenue; thence south along last said east line to the place of beginning, all in City of Chicago, Cook County, Illinois.

III.

Redevelopment Project Area Goals And Objectives.

Investment in new development and reinvestment in existing structures and facilities are essential in the Stockyards Industrial-Commercial Redevelopment Area. Redevelopment and conservation efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, an increased tax base and additional employment opportunities.

This section of the Redevelopment Plan identifies the goals and objectives of the Redevelopment Project Area. A latter section of the Redevelopment Plan identifies more specific programs which the City plans to undertake in achieving the redevelopment goals and objectives which have been identified.

General Goals:

- Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- Provide sound economic development in the Redevelopment Project Area.

- Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the Back of the Yards area.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety and general welfare of the City and preserve or enhance the value of properties of the Back of the Yards area.
- Create suitable locations for industry.
- Create job opportunities.
- Create new retail centers and the accompanying job opportunities.

Redevelopment Objectives:

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section IV of this document, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in commercial and industrial new construction and rehabilitation.
- Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values and job opportunities.
- Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for redevelopment needs and standards.
- Provide site for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- Provide needed incentives to encourage a broad range of improvements in both new development and rehabilitation efforts.
- Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.

Development And Design Objectives:

- Establish a pattern of land use activities arranged in compact, compatible grouping to increase efficiency of operation and economic relationships.
- Achieve development which is integrated both functionally and esthetically with nearby existing development.
- Ensure safe and adequate circulation patterns and capacity in the project area.
- Encourage coordinated development of parcels and structures in order to achieve efficient building design; unified off-street parking, trucking and service facilities and appropriate access to nearby highways.
- Encourage a high-quality appearance of buildings, rights-of-way and open spaces and encourage high standards of design.
- Encourage development of usable industrial space of all sizes.

IV.***Blighted Area Conditions Existing In The
Redevelopment Project Area.***

Based upon surveys, inspections and analysis of the area by Louik/Schneider & Associates, Incorporated and Trkla, Pettigrew, Allen & Payne, Incorporated, the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The area is characterized by the presence of a combination of five or more blighting factors as listed in the Act, rendering the area detrimental to the public safety, health and welfare of the citizens of this area of the City. Specifically:

- Of the fourteen factors set forth in the law, eleven are present in the area.
- The blighting factors are reasonably distributed throughout the study area.
- All blocks within the study area show the presence of blighting factors.

A separate report entitled "Stockyards Industrial-Commercial Redevelopment Area Tax Increment Financing District Eligibility Report",

dated November, 1988 describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. Summarized below are the findings of the Eligibility Report:

1. Age.

Age as a factor is present to a major extent in seven of the seventeen blocks and to a limited extent in four blocks. Of the forty-six total buildings in the Redevelopment Area, twenty-nine (sixty-three percent) are thirty-five years of age or older.

2. Dilapidation.

Dilapidation is present to a major extent in one block containing two buildings and to a limited extent along twelve blocks containing poor and dilapidated street surface and storm drainage structures.

3. Obsolescence.

Obsolescence as a factor is present to a major extent in twelve of the seventeen blocks and to a limited extent in four other blocks. Conditions contributing to this factor include obsolete buildings and obsolete platting. Sixteen buildings and six blocks with small, narrow parcels are characterized by obsolescence.

4. Deterioration.

Deterioration as a factor is present to a major extent in seven blocks and to a limited extent in seven blocks of the Redevelopment Area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas and deteriorating street pavement, curbs, gutters and sidewalks. Twenty-six of the forty-six buildings are characterized by deterioration.

5. Structures Below Minimum Code Standards.

Structures below the City's minimum code standards for existing buildings as a factor is present to a major extent in six of the seventeen blocks and to a limited extent in two blocks.

6. Excessive Vacancies.

Excessive vacancies as a factor is present to a major extent in thirteen of the seventeen blocks. Three buildings are entirely vacant and over forty percent of the area contains vacant land.

7. Lack Of Ventilation, Light Or Sanitary Facilities.

One of the seventeen blocks exhibits almost total lack of lighting within the structures located within it. In addition the lack of light is also found in another block.

8. Inadequate Utilities.

Inadequate utilities are present to a major extent in fifteen of the seventeen block area. All blocks are impacted by obsolete and aging utility systems, deteriorating or missing storm sewers and drainage structures with only limited upgrading on sites where new development has occurred.

9. Deleterious Land-Use Or Layout.

Deleterious land-use or layout is present to a major extent in eleven blocks and to a limited extent in two blocks. Conditions contributing to this factor include parcels of irregular shape and limited size. Large tracts of vacant and under-utilized land, vacant and dilapidated structures and poor streets in deteriorated condition providing very limited access and interior circulation.

10. Depreciation Of Physical Maintenance.

Depreciation of physical maintenance is present to a major extent in nine blocks and to a limited extent in seven blocks. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas and site improvements including streets, alleys, walks, curbs, gutters and utilities.

11. Lack Of Community Planning.

Lack of community planning is present to a major extent throughout all seventeen blocks of the study area. Conditions

contributing to this factor include parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards and the lack of reasonable development controls for building set-backs, off-street parking and loading and the limited access provided by the present street system in combination with the vacant inaccessible land areas. The area lacks an overall plan for coordinated development on a block by block basis. The entire Redevelopment Area exhibits this factor.

The vacant portions of the study area also qualifies as a "Blighted Area" as required by Chapter 24, Section 11-74.4-3(a) of the Illinois Revised Statutes. The following factors are present within the vacant land area:

- (1) Unused Railroad Yards -- most of the central portion of the study area was used as railroad yards. Some active tracks remain, but the bulk of the yards have been abandoned.
- (2) Unused Disposal Site -- the southwestern portion was utilized as a garbage dump in the early part of the century. Nearly all of the vacant land in the study area has been used for dumping of building debris recently.

The analysis above is based upon data assembled by the City of Chicago, Department of Economic Development. The Economic Development Commission of the City of Chicago, the Back of the Yards Neighborhood Council, Louik/Schneider & Associates, Incorporated and Trkla, Pettigrew, Allen and Payne, Incorporated. The surveys and analysis conducted include:

1. Exterior surveys of the condition and use of each building;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning maps;
5. Historical analysis of site uses;
6. Analysis of original and current platting and building size layout;
7. Analysis of building floor area and site coverage; and

8. Review of previously prepared plans, studies and data.

V.

Stockyards Industrial-Commercial Redevelopment Project.

A. Redevelopment Project Area Goals And Objectives.

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing and by undertaking some or all of the following actions:

1. **Assemblage of Sites.** To achieve the renewal of the Redevelopment Project Area, property identified in Map 2, Development Program attached hereto and made a part hereof, may be required by the City of Chicago and cleared of all improvements if any and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired, or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way will also be necessary for the portions of said rights-of-way that the City does not own (see Map 2).

As a necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary use until such property is scheduled for disposition and redevelopment. Such use may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. **Provision of Public Improvements and Facilities.** Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Construction of a more visually recognizable and attractive industrial park entrance to the northwest quadrant of the Stockyards at West 43rd Street and South Packers Avenue, including landscaping and signage.

- b. Provision of utilities necessary to serve the redevelopment.
 - c. Construction of an interior system to efficiently and effectively serve the industrial park in the northwest quadrant of the Stockyards, including direct access to South Ashland Avenue.
 - d. Provision of access and utilities to portions of the former railroad yards in the Wolcott/Railroad subarea for industrial redevelopment purposes.
3. Provision for soil and site improvements for privately held properties for the purpose of making land suitable for development.
- a. Entering into a redevelopment agreement for improvement to soil conditions and necessary site improvement at 47th Street and South Damen site, various railroad properties in the Wolcott/Railroad area, and various sites as may be required in the northwest quadrant of the Stockyards.
4. **Redevelopment Agreements.** Land assemblage shall be conducted for (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

B. Redevelopment Plan.

The proposed Stockyards Industrial-Commercial Redevelopment Project Area for the purposes of planning and programming of improvements has been divided into three subareas (see Map 2). These are: (1) the 47th Street and South Damen Commercial Redevelopment subarea; (2) the Wolcott/Railroad Industrial Redevelopment subarea; and (3) the northwest quadrant of the Stockyards Industrial Redevelopment subarea.

47th Street And South Damen Commercial Redevelopment Subarea.

This subarea designated for commercial redevelopment (see Map 4 Redevelopment Plan) will require the City and a developer to enter into a

redevelopment agreement upon approval by the City Council. The redevelopment agreement will generally provide for the City to provide funding for land acquisition and public improvements. The funds for such improvements are to come from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. The developer will undertake the responsibility for the required soil and site improvements, and further will be required to build a retail shopping center containing approximately 240,000 square feet and the necessary support facilities, such as parking, landscaping and street improvements.

The project defined in this subarea of the Plan will be completed within 18 months of the signing of a redevelopment agreement. This commercial redevelopment will generate substantial incremental tax increases which will allow for the issuance of a bond for completion of other improvements in the first phase of public improvements.

Wolcott/Railroad Industrial Subarea.

This subarea, designated for industrial redevelopment, consists primarily of industrial properties along South Wolcott Avenue and railroad yards primarily north of 42nd Street. The subarea will require street improvements and new street construction, including water, sewer and lighting improvements primarily in the area between Wolcott and Damen Avenues north of 43rd Street with some additional improvements for a site located along the west side of Ashland Avenue north of the Conrail viaduct. Land acquisition will be required for the extension of Wolcott and Damen Avenues, and provision of a new right-of-way and new street construction.

In addition the City will need to enter into redevelopment agreements with private land owners to provide funding for soil and site improvements needed to make the land suitable for development. With the exception of street resurfacing along Wolcott Avenue, most of the improvements for this subarea will occur in the third phase of public improvements. The third phase of public improvements will be funded from the proceeds of bonds financed from the incremental increase in real estate taxes generated from redevelopment in the northwest quadrant of the Stockyards.

Northwest Quadrant Of The Stockyards Industrial Subarea.

This subarea has been designated primarily for industrial redevelopment with the exception of some existing commercial space along the east side of Ashland Avenue. The subarea consists of a few newer industrial facilities, several new commercial facilities along the east side of Ashland Avenue, large tracts of vacant land mostly covered with rubble, and several abandoned and deteriorating industrial buildings.

The plan for this subarea will make approximately 60 acres of land available for industrial redevelopment. A new street system and required water, sewer and lighting from Packers Avenue westward and southward through the subarea to intersect with Ashland Avenue at 42nd Street. The plan also calls for the removal of railroad tracks where possible and assistance for suitably located, active, well-maintained business and industry.

The redevelopment of this subarea will require the City to provide public infrastructure improvements, land acquisition, demolition of dangerous and dilapidated buildings, and entering into redevelopment agreements with private land owners to provide for clearing of rubble, and soil and site improvements necessary for industrial development.

The first phase of public improvements will include the demolition of the existing abandoned buildings and undertaking of some of the street improvements. Funding for this first phase of improvements will come from the first bond to be issued by the City. The second phase of public improvements will include the balance of land acquisition, infrastructure improvement and soil and site improvements. This second phase will be funded from a second bond to be issued by the City and retired by the incremental increase in real estate taxes generated from new industrial development stimulated by the first phase of public improvements.

C. General Land-Use Plan.

The Redevelopment Plan and the proposed projects described herein conform to the land-uses and development policies for the City as a whole as currently provided by the Comprehensive Plan of Chicago (1966) and the companion Southwest Development Area Report (1968). This Area is bounded by Blue Island Avenue and Cermak Road on the north, the Dan Ryan Expressway on the east, Garfield Boulevard on the south and Western Avenue on the west. The Development Area contains the residential community known as New City, more commonly known as the "Back of the Yards".

The Back of the Yards community was the home of the Chicago Union Stockyards, a once thriving meat-processing and packing area. A portion of the Union Stockyards has been redeveloped as a modern industrial park. This occurred due to the funding injected into the area by the City and federal governments which was utilized to develop an infrastructure system consisting of streets, water, sewerage, street lighting and other utilities. Also, the City, state and federal governments provided specific financing assistance for companies to locate in the New Stockyards industrial park. The northwest quadrant of the Stockyards remains primarily blighted due to the presence of dilapidated buildings, the lack of necessary infrastructure and land suitable for redevelopment.

The Southwest Development Area Report states the following with regard to the redevelopment of land in the Stockyards area:

"At the height of operation, in the early 1940s the stockyards and Packingtown meant more than 30,000 jobs. . . The westward movement of the meat packing industry caused a decline in job opportunities which culminated in the mid-1950s when most major firms closed their Chicago operations. The result was a serious need for jobs. . . . and a large amount of unused industrial land (pages 15 -- 16).

The redevelopment of that land with job producing industries has been a high priority problem that is today only partly solved. Railyards that are now larger than needed, large tracts of land with extensive existing construction unsuited for new uses and a complex of private streets and utilities have presented many serious physical and legal obstacles. Prime location alone will not insure success of this project: air pollution and offensive odors must be controlled; the area must be made attractive to compete with newer areas. . . (page 16)"

The retail shopping facilities in the Back of the Yards follows the general Citywide pattern of commercial frontage along major arterial streets. This pattern no longer meets the current needs of many consumers. A development objective for this area of Chicago includes the development of a new commercial center in order to provide increased employment opportunities and the strengthening of the tax base of the City.

The revitalization, retention and expansion of industrial areas is a key component of the City of Chicago's strategy for economic development. This strategy is documented in numerous plans and policy statements, including "Chicago, 1992: Goals and Policies and Ten-Year Development Strategies" which, in a discussion of the frame for economic development, cited the following as a major policy under the goal of making Chicago a "Viable Manufacturing City":

Encourage the development of industry in significant industrial park areas as well as scattered locations citywide.

Six major industrial concentrations have been designated as targets for development. These include: Northwest Center for Industry, Goose Island, Stockyards, Pullman, Chicago Center for Industry, and Lake Calumet. These areas are being actively serviced, enhanced and marketed. The primary advantage of these areas is their large available parcels of land, which is often a critical consideration of new or relocating industry. (page 19)

D. Estimated Redevelopment Project Costs.

Redevelopment project costs mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project pursuant to the State of Illinois Tax Increment Allocation Redevelopment Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services; provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of any buildings and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;
5. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six months thereafter and including reasonable reserves related thereto;
6. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the municipality by written agreement accepts and approves such costs;
7. Payment in lieu of taxes;
8. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career educational programs for persons employed

or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include specifically, the payment by community college districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code;

9. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
 - b. such payments in any one year may not exceed thirty percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (9) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - d. the total of such interest payments incurred pursuant to this Act may not exceed thirty percent of the total redevelopment project costs, excluding any property assembly costs and any relocation costs incurred pursuant to this Act.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan.

Table 1.

Estimated Redevelopment Project Costs.

Program Action/Improvements.

Subarea Number 1 -- West 47th Street and South Damen Avenue:

Land Acquisition and Public Improvements	\$1,900,000
Contingencies	150,000
Planning, legal, studies, etc.	190,000

Subarea Number 2 -- Wolcott/Railroad:

Acquisition	500,000
Infrastructure Improvements	1,750,000
Site preparation	1,750,000
Contingencies	1,400,000
Planning, legal, studies, etc.	400,000

Subarea Number 3 -- Northwest Quadrant of the Stockyards:

Acquisition	1,000,000
Infrastructure Improvements	4,150,000
Site preparation	1,430,000
Contingencies	2,232,000
Planning, legal, studies, etc.	<u>658,000</u>

TOTAL PROJECT COST* **\$17,510,000**

* Exclusive of capitalized interest, issuance costs and other financing costs.

E. Sources Of Funds To Pay Redevelopment Project Costs.

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued or incurred to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued or incurred, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

The City may issue general obligation bonds secured by the full faith and credit of the City for the purpose of financing redevelopment project costs. Such bonds may be payable from ad valorem taxes levied against all taxable property in the City.

Issuance Of Obligations.

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the T.I.F. redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinances approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment

Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increments are not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation Of Properties In The Redevelopment Project Area.

The total 1987 equalized assessed valuation for the entire Redevelopment Project Area is \$11,938,779. This equalized assessed valuation is subject to final verification by Cook County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation".

Anticipated Equalized Assessed Valuation.

By the year 1998, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$19,000,000 and \$24,500,000. By the year 2002, the equalized assessed value of real property within the Redevelopment Project Area is estimated at between \$24,000,000 and \$26,500,000. These estimates are based on several key assumptions, including: 1) Redevelopment of the 47th and Damen Commercial subarea will be completed in 1990; 2) redevelopment of the northwest quadrant of the Stockyards and the Wolcott/Railroad subareas will occur in a timely manner; 3) the market value of the anticipated industrial developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 4) the most recent State Multiplier of 1.8916 as applied to 1987 assessed values will remain unchanged, and 5) for the duration of the project the tax rate for the entire Redevelopment Area is assumed to be the same and will remain unchanged from the 1987 level.

Table 2.

1987 Equalized Assessed Valuation.

Permanent Index Number	Vacant	Commercial	Industrial	Other
20-05-101-006 RR				
20-05-101-007 RR				
20-05-101-010 RR				
20-05-101-017			\$ 29,588	
20-05-101-022	\$ 21,683			
20-05-101-023	1,178			
20-05-101-024	1,105			
20-05-101-025	180,018			
20-05-101-034 EX				
20-05-101-035 EX				
20-05-101-036			157,235	
20-05-102-001	37,838			
20-05-102-002 RR				
20-05-102-003	49,416			
20-05-102-004	24,674			
20-05-102-006 RR				
20-05-102-011				
20-05-102-012		\$ 55,950		
20-05-102-016	79,631			

Permanent Index Number	Vacant	Commercial	Industrial	Other
20-05-102-019			\$47,899	
20-05-102-020	\$ 1,254			
20-05-102-021	46,787			
20-05-102-023	106			
20-05-102-024 EX				
20-05-102-025	779			
20-05-102-027		\$ 45,047		
20-05-102-040			65,707	
20-05-102-041	48,276			
20-05-102-042	113			
20-05-102-043 RR				\$21,290
20-05-102-044	46,796			
20-05-102-045	8,875			
20-05-103-001	1,544			
20-05-103-002			15,288	
20-05-103-003				15,106
20-05-103-004			7,704	
20-05-103-005		4,057		
20-05-103-006		3,967		
20-05-103-007		3,967		
20-05-103-008		107,685		

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Permanent Index Number	Vacant	Commercial	Industrial	Other
20-05-103-009		\$37,719		
20-05-103-010		4,366		
20-05-103-011		6,549		
20-05-103-013		4,213		
20-05-103-014		61,297		
20-05-103-015		60,560		
20-05-103-018	\$16,854			
20-05-103-020	32,670			
20-05-103-021		24,680		
20-05-103-022		20,870		
20-05-103-023		18,331		
20-05-103-024		4,266		
20-05-103-025		2,113		
20-05-104-001		90,602		
20-05-104-002			\$293,457	
20-05-104-004 EX				
20-05-104-005 EX				
20-05-105-003	9,606			
20-05-105-004			362,941	
20-05-105-005			204,497	
20-05-106-001 EX				

Permanent Index Number	Vacant	Commercial	Industrial	Other
20-05-106-003			\$208,082	
20-05-106-006 EX				
20-05-106-007	\$ 3,259			
20-05-106-008	3,774			
20-05-107-001	1,483			
20-05-107-002	1,483			
20-05-107-003	1,483			
20-05-107-004	1,483			
20-05-107-005	1,483			
20-05-107-006	1,483			
20-05-107-007	1,483			
20-05-107-008	1,483			
20-05-107-009	10,504			
20-05-107-010	1,544			
20-05-107-011	1,544			
20-05-107-012	19,510			
20-05-107-013	15,231			
20-05-108-001	46,060			
20-05-108-010 EX				
20-05-108-012	8,480			
20-05-108-013	6,333			
20-05-108-014	38,191			

Permanent Index Number	Vacant	Commercial	Industrial	Other
20-05-108-015	\$31,247			
20-05-108-016			\$ 57,520	
20-05-108-017		\$48,232		
20-05-108-018		25,652		
20-05-109-002			130,282	
20-05-109-003	62,205			
20-05-110-003			125,226	
20-05-110-006			266,799	
20-05-110-007			114,620	
20-05-110-008		20,026		
20-05-110-009			85,521	
20-05-110-010	52,002			
20-05-110-011	44,733			
20-05-111-016		3,619		
20-05-111-017			966,759	
20-05-112-001			1,061,021	
20-05-112-009				\$203,322
20-05-112-010			233,342	
20-05-112-011			313,338	
20-05-112-012	24,212			

Permanent Index Number	Vacant	Commercial	Industrial	Other
20-05-112-013				\$48,750
20-05-113-002	\$97,586			
20-05-114-003			\$ 159,816	
20-05-114-004			130,030	
20-05-114-005			158,671	
20-05-114-006			154,445	
20-05-114-007			1,344,693	
20-05-500-001 RR				
20-05-500-002 RR				
20-06-100-108			60,500	
20-06-100-109			386,000	
20-06-200-014	22,998			
20-06-200-046	20,864			
20-06-200-057	79,239			
20-06-200-058			331,389	
20-06-200-061			73,383	
20-06-200-068			576,815	
20-06-200-069 RR				
20-06-200-070 RR				
20-06-303-004	47,992			

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Permanent Index Number	Vacant	Commercial	Industrial	Other
20-06-303-006	\$191,029			
20-06-303-008	22,992			
20-06-303-010	64,415			
20-06-303-011 EX				
20-06-303-014	44,046			
20-06-400-008			\$369,363	
20-06-400-013			100,111	
20-06-400-014			13,502	
20-06-400-015	5,889			
20-06-400-016			179,237	
20-06-400-018			222,013	
20-06-400-020			306,246	
20-06-400-024	85,809			
20-06-400-025	10,748			
20-06-500-001 RR				
Total:	\$1,683,503	\$653,768	\$9,313,040	\$288,468
TOTAL ALL USES:	<u>\$11,938,779</u>			

VI.

Phasing And Scheduling Of Redevelopment Plan.

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the project area.

It is anticipated that City expenditures for redevelopment will be carefully staged on a reasonable and proportional basis to coincide with expenditures in rehabilitation and/or redevelopment by private developers.

The public and private improvements to be undertaken in the Redevelopment Project Area are anticipated to be completed in the twentieth year. Table 1, the Estimated Redevelopment Project Costs (See Page 31), illustrates the public improvements to be undertaken as part of the Redevelopment Project.

VII.

Provision For Amending Action Plan.

This Stockyards Industrial-Commercial Redevelopment Area Tax Increment Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

VIII.

Affirmative Action Plan.

The City is committed to and will affirmatively implement the following principles with respect to the Stockyards Industrial-Commercial Redevelopment Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project including but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

- B. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

In order to implement these principles for this Plan and Project the City shall require and promote equal employment opportunity practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties contracting for work on the Project shall be required to agree to the principles set forth in this section.

[Maps 1 through 4 attached to this Redevelopment Plan printed on pages 51692 through 51695 of this Journal.]

(Sub)Exhibit "I".

Escrow Agreement.

Escrow Account No. _____

This Escrow Agreement (the "Escrow Agreement"), dated as of _____, 1994, is made and executed by the City of Chicago, Illinois, an Illinois municipal corporation (the "City"), the undersigned developer (the "Owner"), the undersigned escrow agent (the "Escrow Agent") and the undersigned lender (the "Lender"), all as more particularly described on Exhibit A hereto. The City and the Lender are referred to herein collectively as the "Funders".

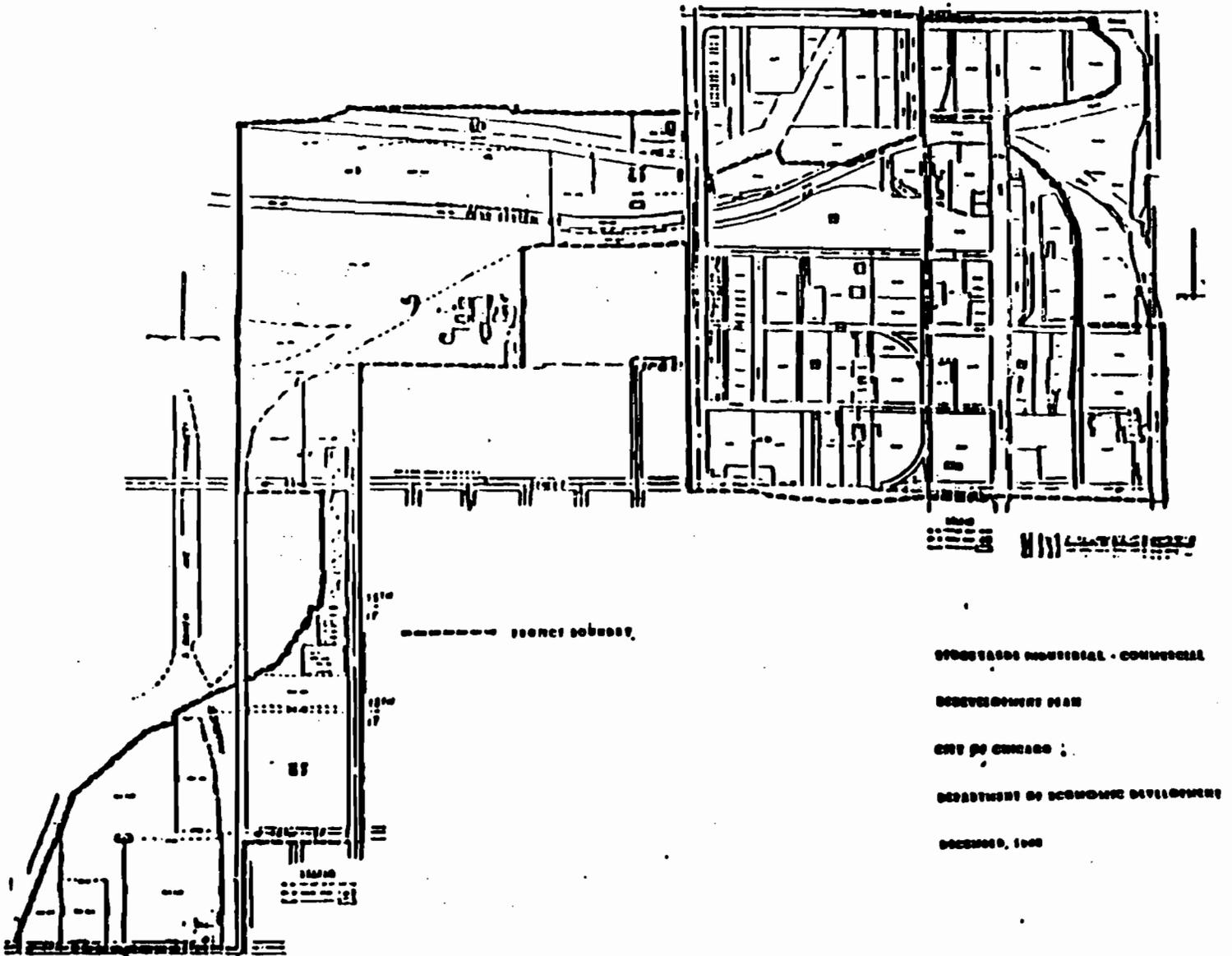
Preliminary Statement.

The City has made a certain grant to the Owner (the "Grant") pursuant to that certain Redevelopment Agreement (herein as amended, supplemented and restated from time to time, the "Redevelopment Agreement") with the Owner, dated as of the date hereof. The Lender has made a certain loan to the Owner (the "Loan") pursuant to the Lender's loan documents (herein as amended, supplemented and restated from time to time, the "Loan Agreement"). The Redevelopment Agreement and the Loan Agreement are

(Continued on page 51696)

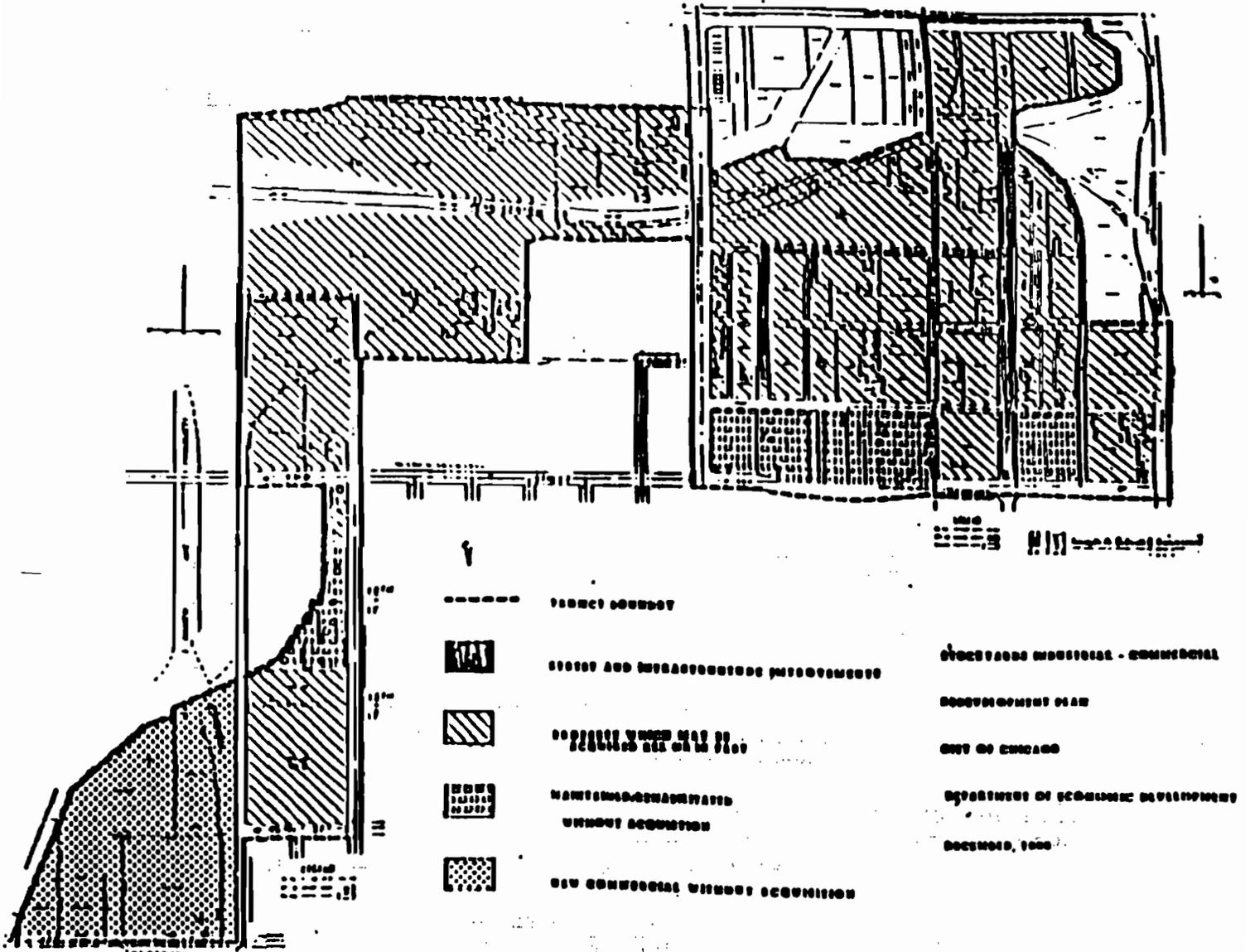
Map 1.
(To Redevelopment Plan)

Project Boundary.



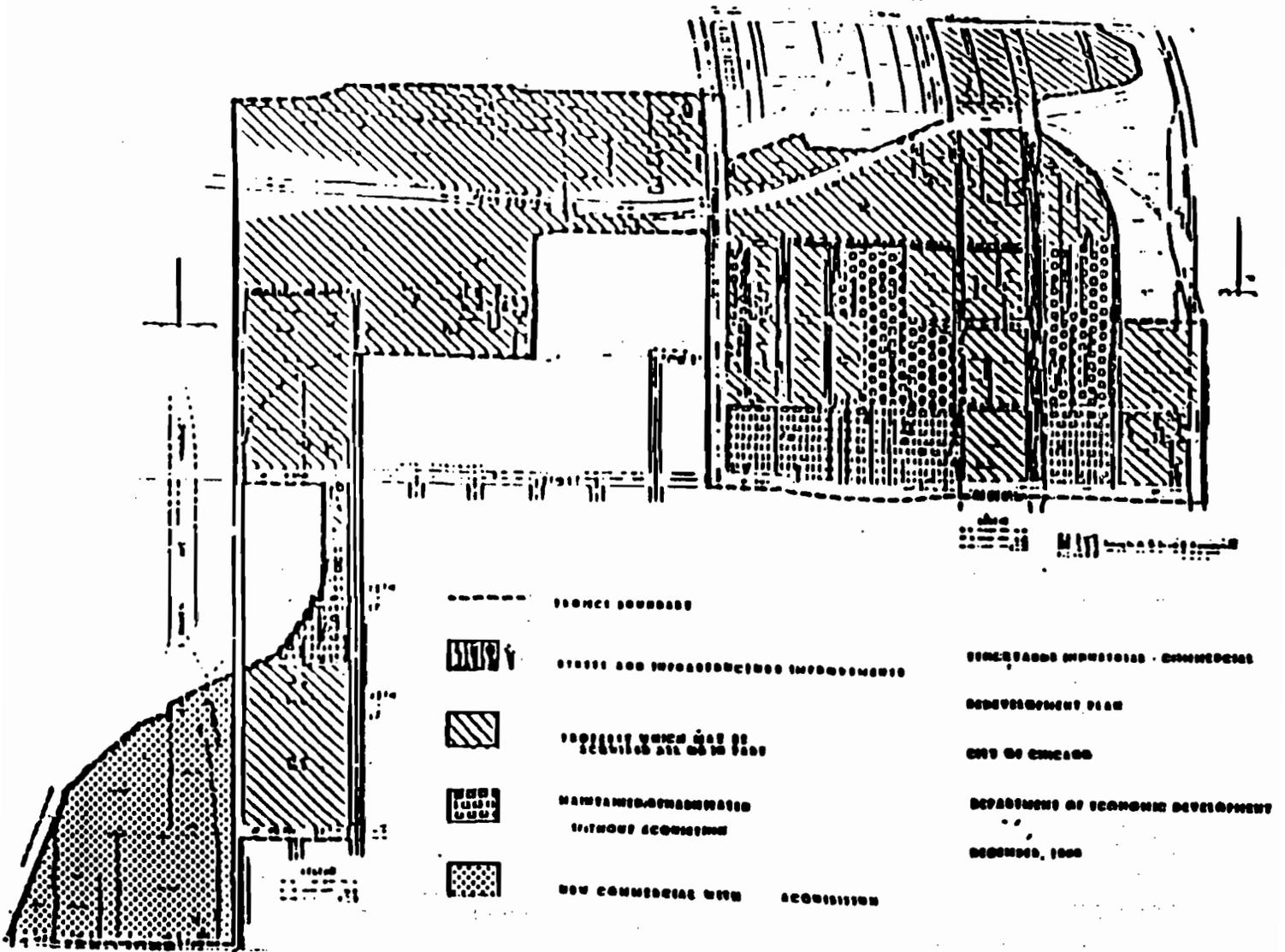
Map 2.
(To Redevelopment Plan)

Development Program.



Map 3.
(To Redevelopment Plan)

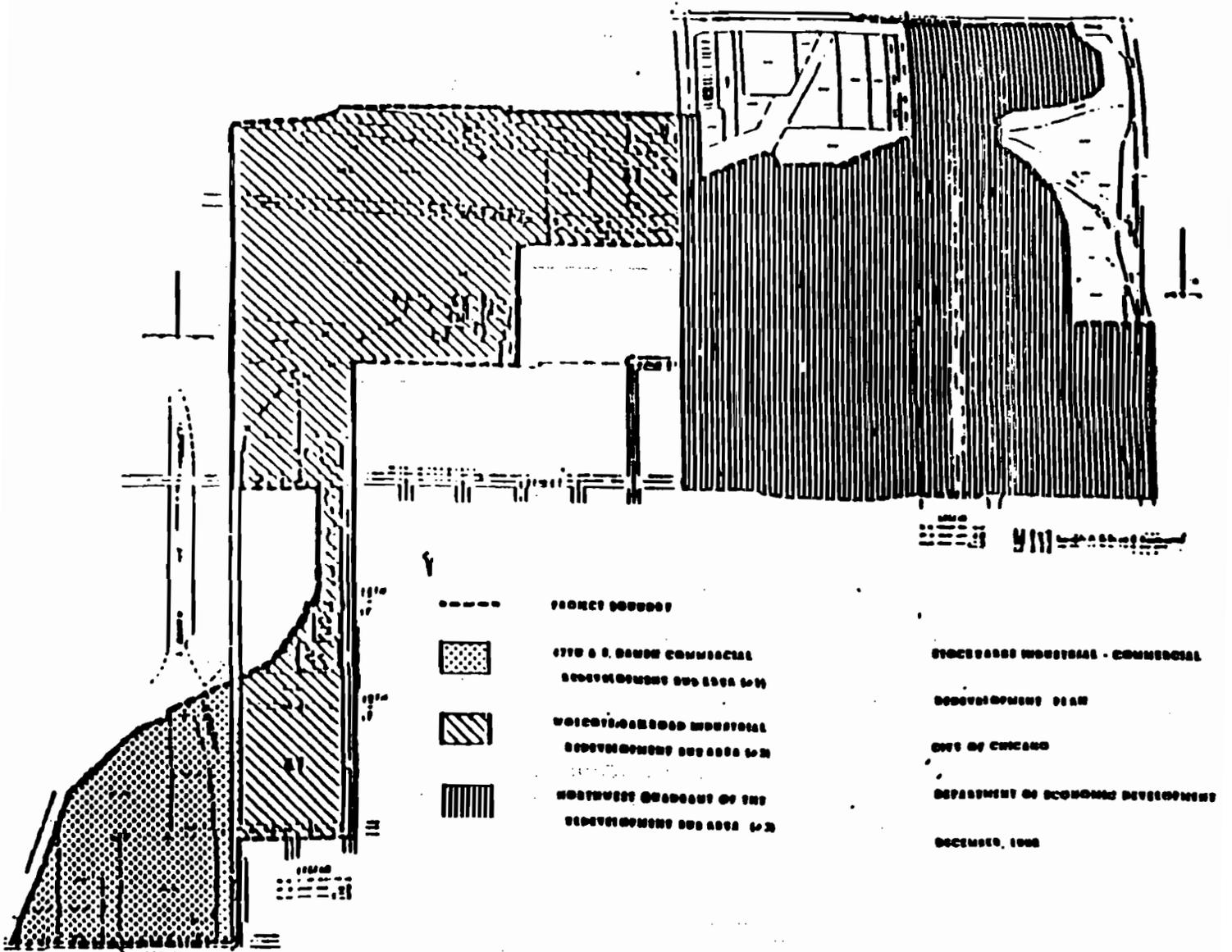
Development Activities.



1/7/94 Revised

Map 4.
(To Redevelopment Plan)

Redevelopment Plan Drawing.



(Continued from page 51691)

referred to herein collectively as the "Agreement". The Loan is secured by a separate mortgage (the "Mortgage") covering the land and improvements described therein. The title company has issued (or has issued its commitment to issue) an A.L.T.A. Mortgagee's Title Insurance Policy with respect to the Mortgage, referred to herein as the "Policy".

The Funders and the Owner desire to utilize the staff and expertise of the Escrow Agent to collect, review and approve lien waivers, and disburse the Escrowed Proceeds (as hereinafter defined), subject to the terms and conditions of this Escrow Agreement.

Now, Therefore, In consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

I.

Creation Of And Deposits To Escrow Account.

A. Escrow Account. There is hereby created with the Escrow Agent an escrow account (the "Escrow Account"), into which all funds shall be deposited hereunder in the amounts set forth in Part I of Exhibit B hereto (the "Escrow Proceeds"). The Escrow Agent will provide, upon written request, any information regarding the disbursement of funds from the Escrow Account, including but not limited to specific disbursements of the proceeds of the City Funds, the Equity and the Loan.

B. Owner's Deposits. Over the term of this Escrow Agreement, the Owner will deposit into the Escrow Account the total amount set forth as Equity on Part I of Exhibit B hereto (the "Equity"), and any additional amounts that may be required pursuant to the Redevelopment Agreement, at such times as may be required pursuant to the Redevelopment Agreement.

C. Funder's Deposits. Over the term of this Escrow Agreement, the Funders will deposit into the Escrow Account the total amounts set forth for each such Funder, respectively, on Part I of Exhibit B hereto (being the proceeds of such Funder's Loan or Grant), all at intervals and installments to be determined pursuant to the respective Agreements. At the time of each request for a disbursement to be funded from the proceeds of the Loan or Grant hereunder, such Funder shall make a deposit with the Escrow Agent of all or a portion of the proceeds of the Loan or Grant, respectively, in immediately available funds, in the amount approved by each Funder pursuant to such request for disbursement as provided in Section IV hereof, provided, however, that (i) no event shall have occurred which is or, with the

passage of time or the giving of notice or both, would become an event of default under any of the Agreements, and (ii) each condition set forth in Section IV, as applicable, shall have been satisfied. If at any time during the course of construction the total of the unpaid disclosed cost of construction as indicated by the column totals on the Owner's Statements (as hereinafter defined) exceeds the amount of the undisbursed proceeds, the City shall not be required to make a disbursement hereunder until the Owner has deposited in the Escrow Account either (a) the sum necessary to make the available funds equal to the unpaid disclosed cost of construction, or (b) a letter in form acceptable to the City, from a financial institution, stating that such financial institution has entered into a loan agreement with the Owner pursuant to which it will fund the amount of such shortfall through this Escrow Agreement prior to the final disbursement of funds hereunder. If any Funder shall, pursuant to a disbursement request, deposit with the Escrow Agent funds in an amount greater than the amount requested from such Funder, the Escrow Agent shall promptly transfer the amount of such excess back to such Funder.

II.

Allocation Of Costs With Respect To Sources Of Funds.

Deposits to the Escrow Account by the Owner and Funders and allocations of costs with respect to sources of funds shall be made pursuant to the terms set forth in Section 4.03 of the Redevelopment Agreement, with the Owner and Funders and not the Escrow Agent ensuring that City Funds are disbursed exclusively to pay costs described on Exhibit C hereto as Eligible Costs (for T.I.F.-Funded Improvements as defined in the Redevelopment Agreement) (the "Eligible Costs") and not used to pay costs described on Exhibit C hereto as Ineligible Costs (for items other than T.I.F.-Funded Improvements as defined in the Redevelopment Agreement) (the "Ineligible Costs").

III.

Manner Of Disbursement.

Disbursements from the Escrow Account are to be made as follows, pursuant to each draw request approved pursuant to Section IV hereof:

- A. By checks to each subcontractor evidencing payment due for labor and/or materials furnished for the Project (as defined in the Redevelopment Agreement);

B. To the undersigned general contractor (the "General Contractor") for general requirements, builder's overhead (and for builder's profit, when applicable) and for labor and/or materials furnished directly by the General Contractor for the Project, approved by the Funders pursuant to such disbursement;

C. To the General Contractor for labor and/or materials furnished by subcontractors when such items have been paid directly by the General Contractor, and when substantiated by a payment affidavit and lien waiver from the subcontractor; and/or

D. To the Owner and/or other parties as approved by the Owner and the Funders for non-construction items.

[E. Reallocation among line items shall/shall not be permitted.]

For purposes of this Escrow Agreement, the term "subcontractor" shall include all mechanics and materialmen furnishing services, labor, materials and supplies to the Project.

IV.

Conditions Precedent To Disbursements.

Notwithstanding Anything In This Escrow Agreement To The Contrary, The Escrow Agent Shall Not Make Any Disbursements Hereunder If Any Funder Has Notified The Escrow Agent In Writing Or By Telecopy Not To Do So. If The Escrow Agent Shall Have Received Such A Notice From Any Funder, The Escrow Agent Shall Not Make Any Disbursements Hereunder (A) Except As Provided In Section V (G) Hereof Or (B) Unless And Until All Funders Shall Have Jointly Notified The Escrow Agent In Writing To Do So.

A. All Disbursements: The requirements for all disbursements, including for all disbursements, including the first and final disbursement, are as follows:

1. Prior to each disbursement of funds hereunder (including the first and final disbursements), the following shall be furnished to the Escrow Agent (and such other party as may be specified):

a. If City Funds are to pay part or all of the expenses of the requested disbursement, the following shall be furnished to the City and the Escrow Agent:

(i) A Request for T.I.F. Payment attached hereto as Exhibit D completed by the General Contractor (for construction costs) or the Owner (for non-construction, non-lienable costs), as applicable, specifying the amount of the requested payment and the line item under which such payment is authorized and to be paid, in accordance with the schedule of Eligible Costs and Ineligible Costs attached hereto as Exhibit C;

(ii) A certificate in the form attached hereto as Exhibit E from the person or entity shown on Exhibit E (the "Inspector/Architect"); to the extent that disbursement is sought for soft costs or work not typically overseen by an architect, an affidavit from the Owner certifying that the work corresponds to the request for payment and that payment as shown on the Owner's Statement is due and owing;

b. A sworn Owner's statement disclosing all contractors and material suppliers with whom the Owner has contracted, their respective addresses, work or materials to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due (the "Owner's Statement");

c. A sworn General Contractor's statement setting forth in detail all contractors and material suppliers with whom he or she has contracted, their respective addresses, work or materials to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due (the "Contractor's Statement"), together with the partial waiver of the General Contractor in the amount of the draw and waivers of liens, affidavits, supporting waivers and/or release of liens, if necessary, from subcontractors and material suppliers listed thereon;

d. An approval of the current condition of title shown in each Policy, from each Funder holding (or to receive) a Policy. When, after the first disbursement, a further title search reveals a subsequently arising exception over which the title company is unwilling to insure, the Escrow Agent will notify the Funders and discontinue disbursement until the exception has been disposed of to the satisfaction of the Funders. A mechanic's lien claim over which the title company is required to insure hereunder does not warrant a discontinuance of disbursement;

e. Other statements, waivers, affidavits, supporting waivers and releases of lien from such persons and in such form as may be required by the Escrow Agent for the purpose of releasing and waiving any and all rights to file mechanic's lien claims against the property for those amounts and the work or materials which they represent, or in the alternative, the Owner shall enter into such indemnification

arrangement with Escrow Agent as required by Escrow Agent to underwrite the requested coverage and issue the said required policy;

f. The Equity due as of the date of the requested disbursement from the Owner, and the Escrow Agent shall have sufficient funds, consisting of Equity, the proceeds of the Loan and/or the City Funds, to cover the amount of the disbursement; and

g. A written approval by the Owner and the Funders of the requested disbursement; approval on behalf of the City shall be given by any one of the following officials of the City's Department of Planning and Development: its Commissioner, any Deputy Commissioner or Assistant Commissioner.

2. The title company shall be in a position to issue a mechanics' lien and pending disbursement endorsement to each Funder's Policy, if any, in form and substance satisfactory to such Funder (the "Endorsement"). The amount shown in such Endorsement shall be the amount of the disbursement made by such Funder, and the effective date thereof shall be the date such Funder's funds are deposited into the Escrow Account.

B. First Disbursement: Prior to the first disbursement of funds hereunder, and in addition to the requirements set forth above for all disbursements, the following shall be furnished:

1. Where applicable, the title company shall have furnished to each Funder Policies covering the recording of the Mortgage and the Redevelopment Agreement and showing each Funder as the insured under its respective Policy.

C. Final Disbursement: Prior to the final disbursement of funds hereunder, and in addition to the requirements set forth above for all disbursements, the following shall be furnished to the Escrow Agent:

1. A Certificate of Completion issued by the City pursuant to Section 7.01 of the Redevelopment Agreement;

2. A Certificate of Occupancy issued by the City of Chicago, Department of Buildings with respect to any buildings situated on the property and constructed or rehabilitated pursuant to the Redevelopment Agreement; and

3. An "as built" survey.

V.

Escrow Agent.

It is understood by the parties hereto and by the General Contractor, who executed this Escrow Agreement to evidence its understanding and not as a party hereto, that the following provisions govern the duties of the Escrow Agent hereunder:

A. The Funders, and not the Escrow Agent, are responsible for determining the amount of each Funder's deposit requirement for each disbursement. Such amounts and each Funder's agreement thereto shall be evidenced by written request for disbursement signed by the Owner and each Funder, and the Escrow Agent is entitled to rely thereon, without further inquiry;

B. The Escrow Agent may, at its discretion, take whatever steps the Escrow Agent may deem necessary to verify the accuracy of any sworn statement that may be required hereunder;

C. If at any time the Escrow Agent shall discover a misstatement of a material fact in any request or other notice from the Owner, it shall promptly give notice of such discovery to each Funder and shall thereafter not disburse funds from the Escrow Account until such misstatement shall have been corrected to the satisfaction of each Funder, except as directed pursuant to the joint direction of all Funders;

D. The Escrow Agent will not accept any blanket lien waivers by the General Contractor as to labor performed and/or materials furnished by others. The Escrow Agent will not accept any blanket waiver pre-signed by any subcontractor;

E. While the subcontractors and any suppliers of labor and materials listed on sworn statements deposited herein are not parties to this Escrow Agreement and have no standing hereunder, the Escrow Agent is authorized to furnish to those persons information which the Escrow Agent may deem appropriate with regard to the times at which disbursements might be made to them, and what conditions remain unsatisfied when the Escrow Agent is not in a position to disburse;

F. Any requirement or undertaking herein notwithstanding, there is no obligation assumed by the Escrow Agent for insuring that sufficient funds will be available to pay all costs incurred in completing the rehabilitation of the Project, or that rehabilitation of the Project will be completed. Except with respect to funds for which the Escrow Agent shall have received investment instructions in writing, the Escrow Agent shall be under no duty to invest or reinvest any cash at any time held by it

hereunder. All income, if any, derived from any use which the Escrow Agent may make of any deposits hereunder shall belong to the respective depositors;

G. Upon receipt of written notice to the Escrow Agent from any Funder, the Escrow Agent shall transfer to such Funder all amounts previously disbursed by such Funder into the Escrow Account that remain in the Escrow Account;

H. Upon completion of the Project, the Owner shall promptly submit notice thereof to the Escrow Agent and each Funder and shall cause the title company to issue a final Endorsement to each Funder's Policy, if any. After payment by the Escrow Agent of the final disbursement hereunder, the Escrow Agent shall disburse any funds then remaining in the Escrow Account to the respective depositor, except that any Equity remaining shall be disbursed only pursuant to the joint direction of all Funders;

I. The Escrow Agent's charges for the services performed and title insurance protection furnished hereunder are the responsibility of the Owner and are to be paid from funds deposited herein, and the Escrow Agent reserves the right to suspend further processing of funds in the Escrow Account until this is done or other arrangements satisfactory to the Escrow Agent have been made; and

J. It is understood by the parties hereto that the requirements listed in this Section V are solely for the Escrow Agent's benefit to assist the Escrow Agent in fulfilling its obligations hereunder.

VI.

General.

A. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth on Exhibit F hereto, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested. Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day (as defined below) immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two Business Days following deposit in the mail. "Business Day" as

used herein shall mean a day on which banks in the City of Chicago are not authorized or required to remain closed and which shall not be a public holiday under the laws of the State of Illinois or any ordinance or resolution of the City of Chicago.

B. No changes, amendments, modifications, cancellations or discharge of this Escrow Agreement, or any part hereof, shall be valid unless in writing executed by the parties hereto or their respective successors and assigns; provided, however, that any Funder may amend and modify this Escrow Agreement with the consent of the Escrow Agent but without the written consent of any other party so long as such amendment or modification does not adversely affect the rights or obligations of the other Funders.

C. No official, officer or employee of the City shall be personally liable to the Owner or any successor in interest in the event of any default or breach of this Escrow Agreement by the City or for any amount which may become due to the Owner or any successor in interest, or on any obligation under the terms of this Escrow Agreement.

D. The Escrow Agent, the Funders and the Owner agree that this Escrow Agreement is not intended to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or corporation other than the Escrow Agent, the Funders and the Owner, as a third party beneficiary or otherwise, under any theory of law.

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

F. This Escrow Agreement shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois, without regard to its conflict of laws principles.

G. This Escrow Agreement may be executed in several counterparts, each of which shall constitute an original and all of which shall constitute one and the same instrument.

In Witness Whereof, The parties hereto have caused this Escrow Agreement to be duly executed and delivered as of the date first written above.

City of Chicago, Illinois

By: _____

Its: _____ Commissioner,
Department of Planning and
Development

Culinary Foods, Inc.

By: _____

Its: _____

Murray Manaster

American National Bank and Trust Company
of Chicago

By: _____

Its: _____

Chicago Title and Trust Company

By: _____

Its: _____

Accepted:
F.C.L./Stava
a _____ corporation

By: _____

Its: _____

Exhibits "A", "B", "C", "D-1", "D-2", "E" and "F" attached to this Escrow Agreement read as follows:

Exhibit "A".
(To Escrow Agreement)

Parties.

1. Culinary Foods, Inc., an Illinois corporation and/or Murray Manaster, referred to herein as the "owner", having an address at 2855 North Lincoln Avenue, Chicago, Illinois 60657; Attention: Murray Manaster.
2. American National Bank and Trust Company of Chicago, a national banking association, referred to herein as the "Lender", having an address at 33 North LaSalle Street, Chicago, Illinois 60602; Attention: Mark Heckler, Vice President.
3. City of Chicago, Illinois having an address at its Department of Planning and Development, City of Chicago, 121 North LaSalle Street, Chicago, Illinois 60602, Attention: Commissioner.
4. Chicago Title and Trust Company, an Illinois corporation, referred to herein as the "Escrow Agent", having an address at 171 North Clark Street, Chicago, Illinois 60601; Attention: _____.

Exhibit "B".
(To Escrow Agreement)

Funding Of The Escrow Account.

I. Total amount to be disbursed into the Escrow Account over the term of the Escrow Agreement (total amounts of loan and grant less any prior disbursements approved by the parties hereto):

Equity:	\$ _____
City Funds:	_____
Loan:	_____
TOTAL:	\$ _____

II: Amounts disbursed into the Escrow Account on the date hereof, if any:

Equity:	\$ _____
City Funds:	_____
Loan:	_____
TOTAL:	\$ _____

Exhibit "C".
(To Escrow Agreement)

Eligible And Ineligible Costs.

Eligible Cost (for TIF-Funded Improvements)

Item	Amount
------	--------

Ineligible Costs

Item	Amount
------	--------

Exhibit "D-1".
(To Escrow Agreement)

Request For T.I.F. Payment -- Construction Costs.

F.C.L./Stava, an _____ corporation (the "General Contractor"), as general contractor for the construction or rehabilitation of certain T.I.F.-Funded Improvements (as defined in the Redevelopment Agreement) on certain property owned by Culinary Foods, Inc., an Illinois corporation and/or Murray Manaster (referred to herein collectively as the "Owner"), does hereby request that payments be made by the City of Chicago (the "City") for certain improvements in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, Chicago Title and Trust Company and American National Bank and Trust Company of Chicago dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

Attached hereto is an executed original Certificate of the Inspector/Architect certifying that the work for which this request is made was completed in accordance with the Scope Drawings approved by the City of Chicago.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

Line Item	Amount Requested	Balance After Requested Payment
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Line Item	Amount Requested	Balance After Requested Payment
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

F.C.L./Stava

By: _____

Its: _____

Exhibit "D-2".
(To Escrow Agreement)

Request For T.I.F. Payment -- Non-Construction Costs.

Culinary Foods, Inc., an Illinois corporation and/or Murray Manaster (referred to herein collectively as the "Owner"), does hereby request that payments be made by the City of Chicago (the "City") for certain improvements in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, Chicago Title and Trust Company and American National Bank and Trust Company of Chicago dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

The undersigned hereby certifies that the work for which this request is made was completed and no mechanics' liens or other liens of any kind have been or will be filed by any person with respect thereto.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

	Line Item	Amount Requested	Balance After Requested Payment
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____

Culinary Foods, Inc.

By: _____

Its: _____

Murray Manaster

Exhibit "E".
(To Escrow Agreement)

Inspector/Architect Certificate.

Alan R. Schneider, Architect, P.C., 1115 Touhy Avenue, Park Ridge, Illinois 60068, the Inspector/Architect for the construction of the facility of Culinary Foods, Inc. and/or Murray Manaster (referred to herein collectively as the "Company") located at _____, Chicago, Illinois, pursuant to Chicago Title and Trust Company ("C.T.&T."), Escrow No. ____ (the "Escrow"), does hereby certify and approve to C.T.&T., the City of Chicago (the "City") and the Company as follows:

A. The work covered by Draw Request Number _____ dated _____, 1994 has been completed and materials are in place in substantial conformity with the "Scope Drawings" (as such term is defined in the Redevelopment Agreement (the "Agreement") dated _____, 1994 by and between the Company and the City), any and all permits that are required for said work have been obtained and all work completed is in accordance therewith.

B. The work covered by the above-referenced draw request is composed of \$ _____ detailed as follows:

Line Item	Amount Requested	Balance After Payment
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

C. Total Project (as defined in the Redevelopment Agreement) expenditures to date are \$ _____, composed of payments of City Funds totaling \$ _____, and payments of Equity and/or Lender Financing (as defined in the Redevelopment Agreement) totaling \$ _____.

D. City Funds have not been disbursed to pay for costs other than the Eligible Costs as set forth on Exhibit C to the Escrow.

Alan R. Schneider

Exhibit "F".
(To Escrow Agreement)

Addresses Of Parties For Notice.

If To The City:

As set forth on Exhibit A hereto, with copies to:

Office of the Corporation Counsel
City of Chicago
121 North LaSalle Street, Room 511
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

If To The Owner:

As set forth on Exhibit A hereto, with copies to:

Tully & Weinstein
Suite 1500
77 West Washington Street
Chicago, Illinois 60602

If To The Lender:

As set forth on Exhibit A hereto, with copies to:

Chicago, Illinois 606__

If To The Escrow Agent:

As set forth on Exhibit A hereto.

(Sub)Exhibit "J".

George Street Property.

Legal Description.

A) Permanent Index Numbers 14-20-123-022 Through 029.

Lots 83 to 91, both inclusive, in the subdivision of Block 8 in the subdivision of that part lying northeasterly of the center line of Lincoln Avenue of the northwest quarter of Section 29, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

B) Permanent Index Numbers 14-29-127-000/003/021.

Lots 4 through 11, both inclusive, in Albert Wisner's Subdivision of Block 10 in the subdivision of that part lying northeasterly of the center line of Lincoln Avenue of the northwest quarter of Section 29, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

C) Permanent Index Numbers 14-29-127-022/023.

Lots 51, 52 and 53 in Albert Wisner's Subdivision of Block 10 in the subdivision of that part lying northeasterly of the center line of Lincoln Avenue of the northwest quarter of Section 29, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

(Sub)Exhibit "K".

Lady Aster Property.

Legal Description.

Permanent Index Number 14-29-126-023.

Lots 1 to 5, both inclusive, in the subdivision of Lot 7 in Lill and Diversey's Subdivision of the southwest half of the northwest quarter of Section 29,

Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

(Sub)Exhibit "L".

Permitted Liens.

(Sub)Exhibit "M".

Project Budget.

Line Items

Land	\$ 625,000
Architectural/Engineering	164,010
Legal/Escrow	250,453
TOTAL ACQUISITION:	\$ 1,039,463

Phase I

Clearance/Demolition	\$ 628,140 *
Earthwork	356,860 *
Underground Utilities	278,000 *
Temporary Fencing	10,000 *
Building Construction	13,595,669
Pavement	130,939 *
Permanent Fencing	58,613 *
Landscaping	30,000 *
Cast-In-Place Concrete	883,229 *
Precast Concrete	408,000 *
Masonry	215,000 *
Structural Steel	466,000 *
Miscellaneous Metal	213,260 *
Carpentry	149,125 *
Canopies	11,550 *
Fireproofing	39,200 *
Waterproofing	5,000 *
Insulated Panels/Doors	1,050,000 *

* indicates hard costs

Roofing	\$297,953 *
Caulk/Seal	45,000 *
Glass/Glazing	60,000 *
Drywall	130,000 *
Acoustical	60,000 *
Floor Treatments	25,000 *
Brick Pavers	260,000 *
Carpet	47,000 *
Paint/Decorate	125,000 *
Exterior Stain	39,272 *
Dock Seals	10,192 *
Dock Levelers	4,121 *
Interior Signage	5,000 *
Exterior Signage	10,000 *
Lockers	0 *
Toilet Partitions	20,000 *
Specialty Equipment	4,000 *
Elevators	37,000 *
H.V.A.C.	1,033,000 *
Mechanical Piping	690,000 *
Gas Piping	105,000 *

* indicates hard costs

Fire Protection	\$ 247,000 *
Plant Plumbing	982,285 *
Office Plumbing	180,000 *
Refrigeration	2,138,000 *
Electrical -- Plant	1,100,000 *
Electrical -- Office	280,000 *
Fire Alarm	70,000 *
Subtotal:	\$11,664,739
General Conditions	\$ 857,860
Insurance	168,550
Architectural	404,520
Overhead/Profit	500,000
Total:	\$13,595,669
TOTAL PHASE I:	\$14,868,669

Phase II (75,000 square foot facility)

Additional Acquisition	\$ 50,000 *
Demolition	650,000 *
Earthwork	180,000 *
Building Construction	4,040,729
Concrete	577,431 *

* indicates hard costs

Masonry	\$ 86,507 *
Structural Steel	335,250 *
Miscellaneous Metal	5,300 *
Carpentry	13,200 *
Insulated Panels/Doors	602,675 *
Roofing	200,000 *
Doors/Windows	11,000 *
Special Doors	13,000 *
Paint Finishers	47,000 *
Dock Equipment	37,360 *
Toilet Access	1,000 *
H.V.A.C.	39,200 *
Plumbing	130,716 *
Refrigeration	1,111,090 *
Electrical	356,000 *
Subtotal:	\$ 3,566,729
Contingency	20,000
General Conditions	170,000

* indicates hard costs

Architect	\$ 84,000
Overhead and Profit	200,000
Total:	\$ 4,040,729

TOTAL PHASE II:	<u>\$ 4,920,729</u>
-----------------	---------------------

Relocation

Utility Hook-Ups	\$ 970,000
Transport/Connections	775,800
Total Relocation:	1,745,800

TOTAL PROJECT COST:	<u>\$22,574,661</u>
---------------------	---------------------

(Sub)Exhibit "P".

Permitted Indebtedness.

(Sub)Exhibit "Q".

Section 8.20

Conditional Provisions.

(a) **Governmental Charges.**

Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, state, county, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to Developer, the Property or the Project including but not limited to real estate taxes. Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.20(b) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to D.P.D. of Developer's intent to contest or object to a Governmental Charge and, unless, at D.P.D.'s sole option, (i) Developer shall demonstrate to D.P.D.'s satisfaction that legal proceedings instituted by Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings and/or (ii) Developer shall furnish a good and sufficient bond or other security satisfactory to D.P.D. in such form and amounts as D.P.D. shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise D.P.D. thereof in writing, at which time D.P.D. may,

but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in D.P.D.'s sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which D.P.D. deems advisable. All sums so paid by D.P.D., if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to D.P.D. by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, City, in its sole discretion, may require Developer to submit to City audited Financial Statements at Developer's own expense.

(b) Real Estate Taxes.

(i) Acknowledgement of Real Estate Taxes. Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property which is necessary to support the debt service indicated ("Minimum Assessed Value") is shown on Exhibit R attached hereto and incorporated herein by reference for the years noted on Exhibit R; (B) Part II of Exhibit R sets forth the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit R.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

(iii) No Reduction in Real Estate Taxes. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit R.

(iv) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either City or by any taxpayer, unless the assessed value of the Property is in excess of the Minimum

Assessed Value. The term "Underassessment Complaint" as used in this Agreement shall mean a complaint seeking to increase the assessed value of the Project.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.20 are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. Developer agrees that any sale, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made subject to such covenants and restrictions.

(c) Insurance.

In addition to the insurance required pursuant to Section 12 hereof, Developer shall at all times provide, maintain and keep in force the following insurance:

(i) All Risk Property Insurance.

(A) Pre-construction. Developer shall obtain All Risk Property insurance, if applicable, in the amount of the full replacement value of Developer's property located in the Redevelopment Area.

(B) Post-construction. Developer shall obtain an All Risk Property policy, including improvements and betterments in the amount of full replacement value of Developer's property located in the Redevelopment Area. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

[Exhibit "R" referred to in these Conditional Provisions constitutes (Sub)Exhibit "R" to the Redevelopment Agreement and is printed on page 51722 of this Journal.]

(Sub)Exhibit "R".

Minimum Assessed Value.

Year	Minimum Assessed Value
1995	\$1,245,828
1996	2,055,828
1997	2,246,459
1998	2,246,459
1999	2,246,459
2000	2,454,766
2001	2,454,766
2002	2,454,766
2003	2,682,390
2004	2,682,390
2005	2,682,390
2006	2,931,119
2007	2,931,119
2008	2,931,119
2009	3,202,913
2010	3,202,913
2011	3,202,913

(Sub)Exhibit "S".

Legal Description Of Private Street.

LaSalle National Trust, N.A., as Trustee, under trust agreement dated March 12, 1975 and known as Trust Number 48707, as to all of Parcel 1 and also as to Parcel 2 except that part of Parcel 2 described as follows:

beginning at the southwest corner of Lot 18 in Block 3 in Packer's 5th Addition to Chicago, a private subdivision of the blocks in Packer's 2nd Addition to Chicago, a subdivision of the west 1,025 feet of the south half of the northwest quarter of Section 5, Township 38 North, Range 14 East of the Third Principal Meridian; thence southerly along the west line extended south of said Lot 18, 25 feet to a point; thence east 323 feet to a point, the north 25 feet to a point in the southerly line extended east of said Block 3; thence west 323 feet to the point of beginning (except the west 10 feet taken for widening Ashland Avenue) of said strip.

A part of the strip of land, 50 feet wide lying south of and adjoining the south line, and said south line extended of Blocks 1 and 2 and lying north of and adjoining the north line, and said north line extended, of Blocks 3 and 4, all in Plat of Packer's 5th Addition, a private subdivision, being a resubdivision of Lots 5 to 10 inclusive in Block 1, Lots 5 to 10 inclusive in Block 2, and Lots 5 to 10 in Block 3, in Packer's 2nd Addition, which 50 foot strip of land (marked private street Number 2 and railroad track on the Plat of Packer's 5th Addition aforesaid) is described as follows:

beginning at the southwest corner of Lot 4 in Block 1 in Packer's 2nd Addition to Chicago, being a subdivision of the west 1,025 feet of the south half to northeast quarter of Section 5, Township 38 North, Range 14 East of the Third Principal Meridian; thence west 575 feet, more or less, to the southwest corner of Lot 16 in Block 2 in Plat of Packer's 5th Addition aforesaid; thence south 50 feet, more or less, to the northwest corner of Lot 34 in Block 3 in Plat of Packer's 5th Addition aforesaid; thence east 575 feet, more or less, to the northwest corner of Lot 4 in Block 2 in Packer's 2nd Addition to Chicago aforesaid; thence north 50 feet to the point of beginning (except from said parcel of land that part lying west of the east line of Lot 15 in Block 2 in Packer's 5th Addition aforesaid extended south to the northeast corner of Lot 1 in Block 3 in Packer's 5th Addition aforesaid)

Also

A strip or parcel of land, 50 feet wide lying south of and adjoining the south line of Lots 1, 2, 3 and 4 in Block 1 and lying north of and adjoining the north line of Lots 1, 2, 3 and 4 in Block 2 all in Packer's 2nd Addition to Chicago being a subdivision of the west 1,025 feet of the south half of the northwest quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian; which strip or parcel of land (marked private street and railroad track on the Plat of said Packer's 2nd Addition to Chicago) is described as follows:

beginning at the southeast corner of Lot 1 in Block 1 in Packer's 2nd Addition to Chicago aforesaid; thence west 410 feet more or less to the southwest corner of Lot 4 in Block 1 aforesaid; thence south 50 feet, more or less, to the northwest corner of Lot 4 in Block 2 in Packer's 2nd Addition to Chicago aforesaid; thence east 410 feet more or less to the northeast corner of Lot 1 in Block 2 aforesaid; thence north 50 feet to the point of beginning (excepting therefrom all that part thereof lying east of the east line of the west 65 feet of Lot 3 in Block 2 in Packer's 2nd Addition to Chicago aforesaid, extended north to the south line of Lot 3 in Block 1 of said subdivision).

AUTHORIZATION FOR EXECUTION OF INTERGOVERNMENTAL
AGREEMENT WITH ILLINOIS DEPARTMENT OF
TRANSPORTATION FOR TRAFFIC SIGNAL
MODERNIZATION AT VARIOUS
LOCATIONS.

The Committee on Finance submitted the following report:

CHICAGO, June 16, 1994.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the entering into of an intergovernmental agreement with the Illinois Department of Transportation for traffic signal modernization at three intersections within the City, in the amount of \$464,354, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.