

**CIPM, L.L.C.**  
**REDEVELOPMENT AGREEMENT**

BY AND BETWEEN

THE CITY OF CHICAGO

AND

CIPM, L.L.C.

AND

CENTERPOINT REALTY SERVICES CORPORATION

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

8000712

## TABLE OF CONTENTS

	PAGE
SECTION 1. RECITALS .....	3
SECTION 2. DEFINITIONS .....	3
SECTION 3. THE PROJECT .....	9
3.01 <u>The Project</u> .....	9
3.02 <u>Scope Drawings and Plans and Specifications</u> .....	9
3.03 <u>Project Budget</u> .....	9
3.04 <u>Change Orders</u> .....	9
3.05 <u>DPD Approval</u> .....	10
3.06 <u>Other Approvals</u> .....	10
3.07 <u>Progress Reports and Survey Updates</u> .....	10
3.08 <u>Inspecting Agent or Architect</u> .....	10
3.09 <u>Barricades</u> .....	11
3.10 <u>Signs and Public Relations</u> .....	11
3.11 <u>Utility Connections</u> .....	11
3.12 <u>Permit Fees</u> .....	11
SECTION 4. FINANCING .....	11
4.01 <u>Total Project Cost and Sources of Funds</u> .....	11
4.02 <u>Developer Funds</u> .....	12
4.03 <u>City Funds</u> .....	12
4.04 <u>Adjustment to Initial Note Interest Rate; Issuance of Refunding Note</u> .....	14
4.05 <u>Treatment of Prior Expenditures; Allocation Among Line Items</u> .....	14
4.06 <u>Cost Overruns</u> .....	15
4.07 <u>Preconditions of Execution of Certificate of Expenditure</u> .....	15
SECTION 5. CONDITIONS PRECEDENT .....	16
5.01 <u>Project Budget</u> .....	16
5.02 <u>Scope Drawings and Plans and Specifications</u> .....	16
5.03 <u>Other Governmental Approvals</u> .....	16
5.04 <u>Financing</u> .....	16
5.05 <u>Acquisition and Title</u> .....	17
5.06 <u>Evidence of Clean Title</u> .....	17
5.07 <u>Surveys</u> .....	17
5.08 <u>Insurance</u> .....	18
5.09 <u>Opinion of the Developer's Counsel</u> .....	18
5.10 <u>Evidence of Prior Expenditures</u> .....	18
5.11 <u>Financial Statements</u> .....	18
5.12 <u>Documentation</u> .....	18
5.13 <u>Environmental</u> .....	18

5.14	<u>Organizational Documents; Economic Disclosure Statement</u>	18
5.15	<u>Litigation</u>	19
	SECTION 6. AGREEMENTS WITH CONTRACTORS	19
6.01	<u>Bid Requirement for Subcontractors</u>	19
6.03	<u>Performance and Payment Bonds</u>	19
6.04	<u>Employment Opportunity</u>	20
6.05	<u>Other Provisions</u>	20
	SECTION 7. COMPLETION OF CONSTRUCTION	20
7.01	<u>Initial Project Completion Certificate; Certificate of Completion of Construction</u>	20
7.02	<u>Effect of Issuance of Certificate; Continuing Obligations</u>	21
7.03	<u>Failure to Complete</u>	21
7.04	<u>Notice of Expiration of Term of Agreement</u>	22
	SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.	22
8.01	<u>General</u>	22
8.02	<u>Covenant to Redevelop</u>	24
8.03	<u>Redevelopment Plan</u>	24
8.04	<u>Use of City Funds</u>	24
8.05	<u>Other Bonds</u>	24
8.06	<u>Job Creation and Retention; Covenant to Remain in the City</u>	25
8.07	<u>Employment Opportunity; Progress Reports</u>	25
8.08	<u>Employment Profile</u>	25
8.09	<u>Prevailing Wage</u>	25
8.10	<u>Arms-Length Transactions</u>	25
8.11	<u>Conflict of Interest</u>	25
8.12	<u>Disclosure of Interest</u>	26
8.13	<u>Financial Statements</u>	26
8.14	<u>Insurance</u>	26
8.15	<u>Non-Governmental Charges</u>	26
8.16	<u>Developer's Liabilities</u>	27
8.17	<u>Compliance with Laws</u>	27
8.18	<u>Recording and Filing</u>	27
8.19	<u>Real Estate Provisions</u>	27
8.20	<u>Job Readiness Program</u>	29
8.22	<u>Survival of Covenants</u>	29
8.23	<u>Election to Complete only the Initial Project</u>	29
8.24	<u>Base Purchase Price</u>	29
	SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY	30
9.01	<u>General Covenants</u>	30
9.02	<u>Survival of Covenants</u>	30
9.03	<u>Releases</u>	30

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS ..... 30

    10.01 Employment Opportunity ..... 30

    10.02 City Resident Construction Worker Employment Requirement ..... 31

    10.03 The Developer's MBE/WBE Commitment ..... 33

SECTION 11. ENVIRONMENTAL MATTERS ..... 35

SECTION 12. INSURANCE ..... 36

SECTION 13. INDEMNIFICATION ..... 40

    13.01 General Indemnity ..... 40

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT ..... 41

    14.01 Books and Records ..... 41

    14.02 Inspection Rights ..... 41

SECTION 15. DEFAULT AND REMEDIES ..... 41

    15.01 Events of Default ..... 41

    15.02 Remedies ..... 42

    15.03 Curative Period ..... 43

SECTION 16. MORTGAGING OF THE PROJECT ..... 43

SECTION 17. NOTICE ..... 44

SECTION 18. MISCELLANEOUS ..... 45

    18.01 Amendment ..... 45

    18.02 Entire Agreement ..... 45

    18.03 Limitation of Liability ..... 45

    18.04 Further Assurances ..... 46

    18.05 Waiver ..... 46

    18.06 Remedies Cumulative ..... 46

    18.07 Disclaimer ..... 46

    18.08 Headings ..... 46

    18.09 Counterparts ..... 46

    18.10 Severability ..... 46

    18.11 Conflict ..... 46

    18.12 Governing Law ..... 46

    18.13 Form of Documents ..... 47

    18.14 Approval ..... 47

    18.15 Assignment ..... 47

    18.16 Binding Effect ..... 47

    18.17 Force Majeure ..... 47

    18.18 Exhibits ..... 47

18.19	<u>Business Economic Support Act</u> .....	48
18.20	<u>Venue and Consent to Jurisdiction</u> .....	48
18.21	<u>Costs and Expenses</u> .....	48
18.22	<u>Business Relationships</u> .....	48

## LIST OF EXHIBITS

Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	Construction Contract
Exhibit F	[Intentionally Omitted]
Exhibit G	*Permitted Liens
Exhibit H-1	*Project Budget and Initial Project Budget
Exhibit H-2	*MBE/WBE Budget
Exhibit I	Approved Prior Expenditures
Exhibit J	Opinion of Developer's Counsel
Exhibit K	[Intentionally Omitted]
Exhibit L	*Form of Initial Note
Exhibit M	*Form of Refunding Note
Exhibit N	Form of Subordination Agreement
Exhibit O	Job Readiness Program
Exhibit P	Permitted Investments

(An asterisk(\*) indicates which exhibits are to be recorded.)

[leave blank 3" x 5" space for recorder's office]

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

**CIPM, L.L.C.**  
**REDEVELOPMENT AGREEMENT**

This CIPM, L.L.C. Redevelopment Agreement (this "Agreement") is made as of this 26<sup>th</sup> day of September, 2001, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and CIPM, L.L.C., an Illinois limited liability company ("CIPM") and CenterPoint Realty Services Corporation, an Illinois corporation and sole member of CIPM ("CRS" and, collectively with CIPM, the "Developer").

**RECITALS**

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

B. **Statutory Authority:** The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to

time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "the City Council") adopted the following ordinances on June 10, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Pilsen Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Pilsen Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Pilsen Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: CRS has purchased the Property (as defined herein) located within the Redevelopment Area and, within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete construction of the Project (as defined herein). The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Pilsen Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, the proceeds of the City Note (defined below) and/or Incremental Taxes (defined below) to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement and the City Note.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date, the proceeds of which (the "TIF Bond Proceeds") may be used, in accordance with Section 4.04, to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes (including any such payment made pursuant to any City Note provided to the Developer pursuant to this Agreement), to make payments of principal and interest on the City Note, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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:

“Act” shall have the meaning set forth in the Recitals hereof.

“Acquisition” shall mean the acquisition by CRS of the Property.

“Additional Subsidies Adjustment Amount” shall have the meaning set forth in Section 4.03(d) hereof.

“Affiliate” shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

“Available Incremental Taxes” shall mean an amount equal to the lesser of (i) 45% of the Incremental Taxes deposited in the Pilsen Redevelopment Project Area TIF Fund after the Closing Date, and (ii) \$1,400,000 annually.

“Available Project Funds” shall have the meaning set forth in Section 4.07 hereof.

“Base Condominium Space” shall mean the core and shell for approximately 36 condominium units of approximately 12,117 square feet each (for a total of approximately 436,224 square feet) within the Property to be used as warehouse and distribution space for produce-industry businesses.

“Base Purchase Price” shall mean, for each condominium unit within the Project, the purchase price (in dollars per square foot) paid by the purchaser of the unit to the Developer, exclusive of amounts attributable to Condominium Owner Improvements, as evidenced by an executed purchase agreement, deed and closing statement (or other evidence acceptable to the City), which amount shall not exceed \$52.99 per square foot.

“Bond(s)” shall have the meaning set forth for such term in Section 8.05 hereof.

“Bond Ordinance” shall mean the City ordinance authorizing the issuance of Bonds.

“Certificate” shall have the meaning set forth for such term in Section 7.01 hereof.

"Certificate of Expenditure" shall mean any Certificate of Expenditure referenced in the Initial Note pursuant to which the principal amount of the Initial Note will be established.

"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 Council" shall have the meaning set forth in the Recitals hereof.

"City Funds" shall mean the funds paid to the Developer pursuant to the Initial Note and the Refunding Note and the Closing Payment.

"City Note" shall mean, collectively, the Initial Note and the Refunding Note.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Closing Payment" shall mean the payment by the City from Incremental Taxes to the Developer on the Closing Date in the amount of \$500,000, as described in Section 4.03(b) hereof.

"Condominium Owner Improvements" shall mean, for each condominium unit within the Project, the finishes, upgrades, equipment, fixtures and other improvements which are not included in the core and shell and which are to be constructed, supplied, or installed by the Developer pursuant to a contract between the Developer and the purchaser of such unit.

"Construction Contract" shall mean, collectively, those two contracts attached hereto as Exhibit E, entered into between the Developer and the General Contractor and dated as of May 22, 2001, providing for construction of the Project, as amended from time to time.

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

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

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33

U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns).

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, if any, to be entered into as of the date hereof with respect to the Project, substantially in the form of Exhibit F attached hereto.

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

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

"First Option Period" shall have the meaning set forth in Section 4.04 hereof.

"General Contractor" shall mean the general contractor(s) hired by the Developer as described in Section 6.01.

"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 such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the Pilsen Redevelopment Project Area TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Initial Note" shall mean the tax-exempt City of Chicago Tax Increment Allocation Note (Pilsen Redevelopment Project Area), Series A, to be in the form attached hereto as Exhibit L in the maximum principal amount of \$8,500,000, issued by the City to the Developer on or as of the date hereof. The Initial Note shall initially bear interest at an annual rate of eight and fifty one-

hundredths percent (8.50%), which annual interest rate may be adjusted pursuant to Section 4.04. The Initial Note shall provide for accrued, but unpaid, interest to bear interest at the same annual rate.

"Initial Project" shall mean (a) the Acquisition, (b) the construction of a building on the Property totaling approximately 436,224 square feet of space, containing the Base Condominium Space and a maximum of 36,000 square feet devoted to the R&S Uses, (c) the marketing and sale by the Developer of the Base Condominium Space to produce-industry businesses, (d) the construction of parking facilities (excluding weather-related tasks such as landscaping and paving) with approximately 211 parking spaces, and (e) site work, environmental remediation and construction of related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C).

"Initial Project Completion Certificate" shall have the meaning set forth for such term in Section 7.01 hereof.

"Lender Financing" shall mean funds, if any, borrowed by the Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

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

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit H-2, as described in Section 10.03.

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

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

"Notice of Intent to Redeem" shall have the meaning set forth in Section 4.04(a) hereof.

"Permitted Investments" shall have the meaning set forth in Section 4.04(d) hereof.

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

"Pilsen Redevelopment Project Area TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.05(a) hereof.

"Project" shall mean (a) the Initial Project, and (b) the construction of the Condominium Owner Improvements; provided, however, that if the Developer elects, pursuant to Section 8.23 herein, to limit its scope of work for purposes of this Agreement to exclude construction of the Condominium Owner Improvements, then the Project shall be the Initial Project.

"Project Budget" shall mean the budget attached hereto as Exhibit H-1, showing the total cost of the Project by line item and the cost of the Initial Project by line item, furnished by the Developer to DPD, in accordance with Section 3.03 hereof.

"Property" shall mean that certain real estate totaling approximately 25.78 acres located at 2402 South Wolcott Avenue, Chicago, Illinois and legally described on Exhibit B hereto. The approximate boundaries of the Property are the south line of the BNSF Railroad right-of-way; Canal C; the west fork of the south branch of the Chicago River; and a line 358.45 feet east of South Damen Avenue.

"R&S Uses" shall mean the following permitted retail and service uses ancillary to the Project: restaurants (including the sale of liquor), barber shops, dry cleaners, convenience stores, banks, currency exchanges, ATMs, laundromats, or such other uses as shall be acceptable to DPD in its sole discretion, as evidenced by its written consent.

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Refunding Note" shall mean the tax-exempt City of Chicago Tax Increment Allocation Refunding Note (Pilsen Redevelopment Project Area), Series A, in the maximum principal amount of \$15,000,000, which may be issued by the City to the Developer pursuant to Section 4.04 hereof. The Refunding Note shall be substantially in the form attached hereto as Exhibit M. The Refunding Note shall be in the initial principal amount and shall bear interest at an annual rate as set forth in Section 4.04, and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Second Option Period" shall have the meaning set forth for such term in Section 4.04 hereof.

"Substantial Completion Date" shall mean the date on which all of the following shall have occurred: (i) the City shall have issued the Initial Project Completion Certificate; (ii) the Developer shall have sold, as evidenced by executed purchase contracts, deeds and closing statements (or other evidence acceptable to the City) at least 75% of the Base Condominium Space by square footage; (iii) unless the Project consists of only the Initial Project, the Developer shall have completed 75% of the Condominium Owner Improvements (based on the amount of expenditures incurred for Condominium Owner Improvements in relation to the overall budgeted costs of the Condominium Owner Improvements); (iv) the Project shall have been partially or fully assessed and shall be generating Incremental Taxes; and (v) the Developer shall have been in full compliance with its obligations under this Agreement as of such date.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title urban survey of the Property dated within 45 days prior to the Closing Date (or such earlier date as may be acceptable to the City), acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Project and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (currently through and including June 10, 2021, but in no event later than December 31, 2022).

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Bonds" shall have the meaning set forth in the Recitals hereof.

"TIF Bond Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"Title Company" shall mean Chicago Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

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

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the 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 The Project. With respect to the Project, the Developer has commenced construction and shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) complete construction of the Initial Project and conduct business operations therein no later than December 24, 2003; and (ii) complete construction of the Project and conduct business operations therein no later than July 1, 2004.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building 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.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project and total costs for the Initial Project in an amount not less than \$47,139,816 and \$33,688,624, respectively. The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the square footage of the Project; (b) a change in the proposed use of the Property to a use other than those uses permitted under Section 8.21 hereof or, with respect to the maximum of 36,000 square feet in the Project devoted to the R&S Uses, those uses contained within the definition of R&S Uses; or (c) a delay in the completion of the Project. The Construction Contract, and any contract between the General Contractor 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 the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section).

3.05 DPD Approval. Any approval granted by DPD 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 by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD 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 DPD's written approval pursuant to Section 3.04), and including copies of invoices, canceled checks, lien waivers and other documentation verifying the disbursement of Equity and Lender Financing to pay for Project costs. The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by DPD, which may be the inspecting agent or architect of a

lender providing Lender Financing, shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder.

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

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

3.11 Utility Connections. The 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 the Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.12 Permit Fees. In connection with the Project, the 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.

## SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. Subject to Section 4.06 herein, the cost of the Project and the Initial Project is estimated to be \$47,139,816 and \$33,688,624, respectively, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

	<u>Initial Project</u>	<u>Project</u>
Equity (subject to <u>Section 4.06</u> )	\$33,188,624*	\$46,639,816*
Lender Financing	\$ 0*	\$ 0*
Estimated City Funds (subject to <u>Section 4.03</u> )	\$ 500,000	\$ 500,000
<b>ESTIMATED TOTAL</b>	<b>\$33,688,624</b>	<b>\$47,139,816</b>

\* The Developer has the ability, without the consent of the City, to make changes to the amounts to be derived from Equity and Lender Financing, so long as the amount of Equity constitutes at least ten percent of Project costs. Equity may include the proceeds of sales of all or a portion of the Base Condominium Space.

4.02 Developer Funds. Equity and Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project Costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs through payment of the Closing Payment and payments of principal and interest on the City Note. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Section 4.05(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Closing Payment. On the Closing Date, the City shall pay to the Developer, from Incremental Taxes, the Closing Payment in the amount of \$500,000, which payment shall not be deemed to be a payment of principal or interest on the Initial Note. Payment of the Closing Payment is conditional upon the delivery by the Developer to the City of the corporate guaranty of CenterPoint Properties Trust, in a form acceptable to the City, guaranteeing repayment of the Closing Payment upon the occurrence of an Event of Default by the Developer, which guaranty shall be released upon issuance of the Certificate.

(c) The Initial Note. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue the Initial Note to the Developer on the Closing Date in an initial principal amount equal to the cost of those TIF-Funded Improvements which the City has approved as Prior Expenditures less the Closing Payment. The principal amount of the Initial Note from time to time shall be in an amount equal to the costs of the TIF-Funded Improvements which have been incurred by the Developer (less the Closing Payment), approved by the City, as evidenced by a Certificate of Expenditure related thereto, and are to be reimbursed by the City through payments of principal and interest on the Initial Note, subject to the provisions hereof; provided, however, that the sum of the maximum principal amount of the Initial Note and the Closing Payment shall not exceed the lesser of (i) 20% of the actual total Project costs, but only if the actual total Project costs are equal to or less than \$45,000,000, or (ii) \$9,000,000. On the date of issuance of the Certificate (by which date the actual, total Project costs will have been established pursuant to Section 7.01 hereof), if the principal amount of the Initial Note (as evidenced by the sum of the Certificates of Expenditure executed by the City) exceeds the maximum principal amount of the Initial Note

established pursuant to the proviso of the preceding sentence, then the principal and interest of the Initial Note shall be reduced as follows:

(x) for interest that has accrued on the outstanding principal balance from time to time based upon a purported principal amount of the Initial Note in excess of the maximum principal amount established under this Section 4.03(c), such interest shall be retroactively reduced as if such interest had accrued under an Initial Note with the maximum principal amount established pursuant this Section 4.03(c), and

(y) for payments of principal or interest on the Initial Note that were calculated based on the purported principal amount of the Initial Note being in excess of the maximum principal amount established under this Section 4.03(c), such payments of principal or interest shall be retroactively reduced (and, for payments that were attributed to interest that should have been attributed to principal, the principal amount of the Initial Note shall be reduced) as if such payments had been made under an Initial Note with the maximum principal amount established pursuant to this Section 4.03(c); provided, that any reductions in principal (and corresponding reduction in interest accrued) shall be made against the most recent additions to principal (as evidenced by a Certificate of Expenditure).

Payments under the Initial Note are subject to the amount of Available Incremental Taxes deposited into the Pilsen Redevelopment Project Area TIF Fund being sufficient for such payments, and such payments shall in no event exceed \$1,400,000 annually. The City agrees to pay to the Developer, as a payment of principal and/or interest on the Initial Note, the sum of \$500,000 on the date of issuance of the Initial Project Completion Certificate from Available Incremental Taxes, subject to the amount of Available Incremental Taxes being sufficient for such payment. Payment of this \$500,000 amount is conditional upon the delivery by the Developer to the City of the corporate guaranty of CenterPoint Properties Trust, in a form acceptable to the City, guaranteeing repayment of such amount upon the occurrence of an Event of Default by the Developer, which guaranty shall be released upon issuance of the Certificate. Regular, annual payments under the Initial Note shall commence, subject to the provisions of this Agreement and the Initial Note, after the Substantial Completion Date.

(d) Payment of Additional Subsidies Adjustment Amount. The City may in its sole discretion, but is not obligated to, provide additional subsidies legally available to the City (apart from the City Funds) to the Developer to assist in paying for acquisition of the Property, environmental remediation, or other costs of the Project. If additional subsidies are provided for the Project by the City or any other governmental entity, then the Developer agrees that the aggregate Base Purchase Price shall be reduced by an amount equal to the aggregate amount of such additional subsidies (the "Additional Subsidies Adjustment Amount"). The Additional Subsidies Adjustment Amount shall be paid by the Developer on a pro rata basis to all of the purchasers of condominium units in the Project, based on each purchaser's percentage of ownership in the Base Condominium Space by square footage (provided that, for condominium

sales that have not yet closed by the time the additional subsidies are received by the Developer, payment of the Additional Subsidies Adjustment Amount may occur through a credit to such condominium purchaser at closing). The Developer shall provide DPD with evidence acceptable to DPD (including canceled checks and/or copies of executed purchase contracts, deeds and closing statements) evidencing payment of the Additional Subsidies Adjustment Amount pursuant to this Section 4.03(d).

#### 4.04 Adjustment to Initial Note Interest Rate; Issuance of Refunding Note

(a) Notice of Intent to Redeem. Within 30 days after the issuance of the Certificate, the City may deliver to the Developer written notice of the City's intent to redeem the Initial Note using TIF Bond proceeds or other moneys legally available to the City (the "Notice of Intent to Redeem"). If the City does not deliver the Notice of Intent to Redeem by the end of such 30-day period, the City shall issue to the Developer the Refunding Note, bearing interest at an annual rate of eight and fifty one-hundredths percent (8.50%), within 30 days after the expiration of such 30-day period.

(b) First Option Period. If the City timely delivers the Notice of Intent to Redeem, the City may redeem the Initial Note within 210 days after the issuance of the Certificate (or within 390 days after the issuance of the Certificate if the Project consists of only the Initial Project) (such 210-day or 390-day period being referred to herein as the "First Option Period") by paying in full the outstanding principal and interest due on the Initial Note at the time of such redemption. If the City does not redeem the Initial Note within the First Option Period, the annual interest rate of the Initial Note shall increase to nine and no hundredths percent (9.00%) as of the business day next succeeding the end of the First Option Period. If the City, within the First Option Period, delivers written notice to the Developer rescinding the Notice of Intent to Redeem, then the City shall issue to the Developer the Refunding Note, bearing interest at an annual rate of nine and no hundredths percent (9.00%), within 30 days after the delivery of such notice of rescission.

(c) Second Option Period. If the Initial Note is not redeemed within the First Option Period, the City may redeem the Initial Note within 180 days after the end of the First Option Period (the "Second Option Period") by paying in full the outstanding principal and interest due on the Initial Note at the time of such redemption. If the City does not redeem the Initial Note within the Second Option Period, then the City shall issue to the Developer the Refunding Note, bearing interest at an annual rate of nine and fifty one-hundredths percent (9.50%), within 30 days after the expiration of the Second Option Period.

(d) Refunding Note. If issued, the Refunding Note shall be in a principal amount equal to the then-outstanding principal amount of the Initial Note plus accrued interest on the Initial Note, provided that the maximum principal amount of the Refunding Note shall not exceed \$15,000,000. The delivery of the Refunding Note to the Developer shall be deemed to constitute payment in full of the outstanding principal and interest due on the Initial Note, and upon

delivery of the Refunding Note the Developer shall return the Initial Note to the City for cancellation. Issuance of the Refunding Note is subject to the City's receipt (at the Developer's cost) of an opinion from special counsel selected by the City regarding the tax-exempt status and enforceability of the Refunding Note, in form and substance acceptable to the Corporation Counsel. Payments under the Refunding Note are subject to the amount of Available Incremental Taxes deposited into the Pilsen Redevelopment Project Area TIF Fund being sufficient for such payment, and such payments shall in no event exceed \$1,400,000 annually. The Developer may sell the Refunding Note to a third party upon delivery to the City of an investment letter in a form acceptable to the Corporation Counsel from such third party. The City retains the right to defease the Refunding Note at any time pursuant to a deposit of escrow securities as set forth on Exhibit P (the "Permitted Investments") which, together with the investment earnings thereon and/or other moneys of the City deposited therewith, are sufficient to pay when due the principal of and interest due and to become due on the Refunding Note on and prior to the maturity date thereof.

#### 4.05 Treatment of Prior Expenditures; Allocation Among Line Items.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, the Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.07 Preconditions of Execution of Certificate of Expenditure. The Developer may submit requests for Certificates of Expenditure no more frequently than on a quarterly basis.

Prior to each execution of a Certificate of Expenditure by the City, the Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer to DPD of any request for execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for execution of a Certificate of Expenditure, that:

- (a) the total amount of the request for Certificate of Expenditure represents the actual amount paid to the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;
- (b) all amounts shown as previous payments on the current request for Certificate of Expenditure have been paid to the parties entitled to such payment;
- (c) the Developer has approved all work and materials for the current request for Certificate of Expenditure, and such work and materials conform to the Plans and Specifications;
- (d) the representations and warranties contained in this Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained herein, specifically including those set forth in Sections 8.09, 10.02 and 10.03 hereof;
- (e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;
- (f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and
- (g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed Lender Financing, if any; (ii) the undisbursed Equity and (iii) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent

the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of execution of a Certificate of Expenditure, including but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Costs of Issuance. The Developer shall be responsible for paying all costs relating to the issuance of the Initial Note and the Refunding Note, including costs relating to the opinions described in Sections 4.04(d) and 5.09(b).

## SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

5.01 Project Budget. The Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawings and Plans and Specifications. The Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD.

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. The Developer has delivered to DPD a copy of the construction escrow agreement, if any, entered into by the Developer regarding the Lender Financing. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the

recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name (and the following trade names of the Developer: CenterPoint Realty Services Corporation and CenterPoint Properties Trust) as follows:

Secretary of State (IL)	UCC search
Secretary of State (IL)	Federal tax search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court (N.D. IL)	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against the Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 Surveys. The Developer has furnished the City with three (3) copies of the Survey.

5.08 Insurance. The Developer, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09 Opinion of the Developer's Counsel. (a) On the Closing Date, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as required by or acceptable to Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in Exhibit J hereto, such opinions were obtained by the Developer from its general corporate counsel.

(b) On the Closing Date, the City has received from Foley & Lardner, special counsel, an opinion regarding the tax-exempt status and enforceability of the Initial Note, in form and substance acceptable to the Corporation Counsel.

5.10 Evidence of Prior Expenditures. The Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. CIPM and CRS have each provided Financial Statements to DPD for their most recent fiscal years, and audited or unaudited interim financial statements.

5.12 Documentation. For each condominium unit in the Project, the Developer has provided to DPD copies of (i) executed condominium sales contracts, and (ii) executed contracts for the build-out of improvements to the core and shell of each unit, whether or not the Developer is a party to such contracts.

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits. The Developer has provided the no further remediation letter or other documentation required under Section 11.

5.14 Organizational Documents; Economic Disclosure Statement. CIPM and CRS have each provided a copy of its Articles of Organization or Articles of Incorporation, respectively, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of formation and all other states in which CIPM or CRS, respectively, are qualified to do business; a secretary's (or member's) certificate in such form and substance as the Corporation Counsel may require; a copy of its operating agreement or bylaws, respectively; and such other organizational documentation as the City has requested. CIPM and CRS have each provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. The Developer has provided to Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

## **SECTION 6. AGREEMENTS WITH CONTRACTORS**

6.01 Bid Requirement for Subcontractors. (a) The Developer has selected and the City has approved FCL Builders, Inc., an Illinois corporation, as the General Contractor for the Project. Prior to entering into an agreement with any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids

received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, the Developer shall select (or shall cause the General Contractor to select) the subcontractor submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects (or the General Contractor selects) any subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects (or the General Contractor selects) any subcontractor who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(c) hereof. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

**6.02 Construction Contract.** Prior to the execution thereof, the Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

**6.03 Performance and Payment Bonds.** Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

**6.04 Employment Opportunity.** The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

**6.05 Other Provisions.** In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement (General Contractor only)), Section 10.03 (MBE/WBE Requirements, as applicable), 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 TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

## SECTION 7. COMPLETION OF CONSTRUCTION

### 7.01 Initial Project Completion Certificate; Certificate of Completion of Construction.

(a) Initial Project Completion Certificate. Upon completion of construction of the Initial Project in accordance with the terms of this Agreement (including but not limited to compliance with the provisions of Section 10 hereof), and upon the Developer's written request, DPD shall issue to the Developer a Certificate of Completion of Construction of the Initial Project (the "Initial Project Completion Certificate") in recordable form certifying that the Developer has fulfilled its obligation to complete construction of the Initial Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for an Initial Project Completion Certificate within thirty (30) days by issuing either the Initial Project Completion Certificate or a written statement detailing the ways in which the construction of the Initial Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Initial Project Completion Certificate. The Developer may resubmit a written request for the Initial Project Completion Certificate upon completion of such measures.

(b) Certificate. On the earliest date on which all of the following shall have occurred, and upon the Developer's written request, DPD shall issue to the Developer a Certificate of Completion of Construction (the "Certificate") in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement: (i) completion of the Project in accordance with the terms of this Agreement, including the submission of (and approval by DPD of) evidence of the actual, total costs of the Project; and (ii) delivery by the Developer to the City of evidence acceptable to the City that the Developer has complied with Section 4.03(d) regarding payment of the Additional Subsidies Adjustment Amount. DPD shall respond to the Developer's written request for a Certificate within thirty (30) days by issuing either the Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for the Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.19 and 8.21 (as applicable) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of the Certificate; provided, that upon the issuance of the Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of the Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the City Note and/or TIF Bonds.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, at the Developer's written request (or shall provide the then-current owner of the Property or the condominium association operating the Property, at such person or entity's written request), with a written notice in recordable form stating that the Term of the Agreement has expired and all covenants that run with the land have expired. Notwithstanding the foregoing, a failure to provide and/or record such notice shall not affect the expiration of this Agreement.

## **SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.**

8.01 General. The Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) CIPM is an Illinois limited liability company and CRS is an Illinois corporation, each duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by CIPM and CRS of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Articles of Organization or Articles of Incorporation, respectively, or its operating agreement or bylaws, respectively (in each case as amended and supplemented), any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which CIPM or CRS is now a party or by which CIPM or CRS is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof);

(e) the Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

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

(g) the 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, complete and operate the Project prior to the transfer of control of the completed Project to the condominium association formed by condominium unit owners to operate the Project;

(h) the 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 the Developer is a party or by which the Developer is bound;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of the Developer, and there has been no material adverse

change in the assets, liabilities, results of operations or financial condition of the Developer since the date of the Developer's most recent Financial Statements;

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD (not to be unreasonably withheld): (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except as otherwise permitted by Section 8.21 herein and except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business that would materially adversely affect the ability of the Developer to complete the Project; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity that would materially adversely affect the ability of the Developer to complete the Project; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

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

(m) the Developer shall promptly notify DPD of the sale or transfer of a majority of the ownership interests of the Developer, if such sale or transfer occurs prior to the issuance of the Certificate;

(n) the Developer shall deliver to the City copies of all deeds, closing statements and purchase contracts pertaining to the sale by the Developer of condominium units in the Project within 30 days after the execution thereof;

(o) upon the occurrence of an Event of Default hereunder, the Developer shall repay to the City the Closing Payment and the \$500,000 payment under the Initial Note described in Section 4.03(c); and

(p) the Developer shall deliver to the City copies of any supplement or amendment to the no further remediation letter described in Section 5.13 and Section 11 hereof.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance, the TIF 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 the Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. The Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, as in effect on the Closing Date.

8.04 Use of City Funds. City Funds disbursed to the Developer shall be used by the Developer solely to reimburse the Developer for its payment for the TIF-Funded Improvements as provided in this Agreement.

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

8.06 Job Creation and Retention; Covenant to Remain in the City. The Developer shall use best efforts to retain 428 full-time equivalent, permanent jobs and create 61 new full-time equivalent, permanent jobs at the Project within twenty-four months of the completion thereof.

8.07 Employment Opportunity; Progress Reports. The 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. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

8.08 Employment Profile. The Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.09 Prevailing Wage. The 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 the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.

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

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended 2000 and each year thereafter until completion of the Project. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, the 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, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. The Developer has the right, before any delinquency occurs:

(1) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

(2) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the 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. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DPD of any and all events or actions which may materially affect the 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 the 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 the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property 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. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

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

(2) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

(B) the Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the 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.

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

(c) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19 are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the 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. The Developer agrees that, except as otherwise provided herein, any sale, lease, 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 explicitly subject to such covenants and restrictions.

8.20 Job Readiness Program. The Developer shall undertake a job readiness program, as described in Exhibit O hereto, to work with the City, through the Mayor's Office of Workforce Development, to participate in job training programs to provide job applicants for the jobs created by the Project and the operation of the Developer's business on the Property.

8.21 Use of Property as Produce Market. Condominium units in the Project shall be used as warehouse and distribution space through the Term of the Agreement for the following food-related businesses: wholesale distribution, production and processing; warehouse and storage; cartage, logistics and express; packing and crating; and frozen food stores; provided, however, that up to 36,000 square feet may be dedicated to R&S Uses. The Developer shall market and sell the condominium units in the Project to produce industry businesses and shall impose deed restrictions through its deeds of sale to condominium unit purchasers requiring that the purchaser

use its unit through the Term of the Agreement for the purposes set forth above in this Section. The covenants set forth in this Section shall run with the land and be binding upon any transferee through the Term of the Agreement.

8.22 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

8.23 Election to Complete Only the Initial Project. The City and the Developer agree that the Developer may, upon written notice to the City, elect to limit the scope of the Project for purposes of this Agreement to the Initial Project.

8.24 Base Purchase Price. If the actual, total Project costs are equal to or greater than \$45,000,000, then the Developer shall not charge a Base Purchase Price (exclusive of vendor's cost of the demising wall) in excess of \$52.99 per square foot. If the actual, total Project costs are less than \$45,000,000, then the Developer may increase the Base Purchase Price, pro rata across all units in the Project, above \$52.99 per square foot, provided that the difference between

(i) the aggregate Base Purchase Price (exclusive of the vendor's aggregate cost of the demising walls) as so increased, and

(ii) \$32,116,804 (representing the sum of \$9,000,000 plus the product of \$52.99 multiplied by the approximate square footage of the Base Condominium Space)

shall in no event exceed the difference between

(x) \$9,000,000, and

(y) the sum of the Certificates of Expenditure executed by the City with respect to the Initial Note plus the Closing Payment.

The Developer shall rebate to the condominium purchasers, on a pro rata basis across all units in the Project, any increase in the Base Purchase Price in excess of the amount specified in this Section. The Developer shall provide the City with evidence of any such rebate.

## SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

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

9.03 Releases. In connection with each sale by the Developer of condominium units in the Project (except for sales by the Developer to its Affiliates), the City agrees to execute a release in recordable form to be delivered to the condominium unit purchaser or such purchaser's designee at the closing of each such sale, which release shall terminate the restrictions contained in this Agreement, except for the use restrictions set forth in Section 8.21 hereof, with respect to the interest acquired by such purchaser. Any such release shall not affect the applicability of this Agreement to any portion of the Project other than the condominium unit, limited common elements and/or other interest covered by such release.

## SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof.

10.02 City Resident Construction Worker Employment Requirement. The Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

The Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

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

The Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

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

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction

costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment (or may be applied as a setoff against the principal amount of the Initial Note) for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

The Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

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

a. Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

- i. At least 25 percent by MBEs.
- ii. At least 5 percent by WBEs.

b. For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

c. Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

d. At the times set forth in Section 8.07, the Developer shall deliver reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

g. Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard

to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DPD its plan (including Schedules C and D) to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. Prior to the Closing Date, the Developer must submit evidence acceptable to DPD that the General Contractor has met at least once with, and provided bid documents to, applicable MBE/WBE contractor associations. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

## **SECTION 11. ENVIRONMENTAL MATTERS**

The Developer hereby represents and warrants to the City that the 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 Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the Bond Ordinance and the Redevelopment Plan. The City shall not disburse City Funds prior to the completion by the Developer of all environmental remediation for the property required by federal, state or local government authorities, as evidenced by the issuance of a no further remediation notice or other evidence acceptable to the City.

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

## SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident or illness.

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident or illness.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or transit property, Contractor shall provide, or cause to be provided with respect to the operations that the Contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy has limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) Builders Risk Insurance

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

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance shall be maintained in an amount to insure against any loss whatsoever, and has limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of one (1) year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

- (c) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

The Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The receipt of any certificate does

not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.

The insurance shall provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

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

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

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

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under the Agreement.

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

The Developer shall require the General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section (d)) of Developer unless otherwise specified herein.

If the Developer, General Contractor or any subcontractor desires additional coverages, the Developer, General Contractor and any subcontractor shall be responsible for the acquisition and cost of such additional protection.

The Developer shall record or cause to be recorded in the Office of the Recorder of Deeds of Cook County a declaration of condominium for the Project, in accordance with the Illinois Condominium Property Act, containing a requirement (in a form approved by the City) that the

condominium association formed in connection with such declaration shall maintain, post-construction, throughout the Term of the Agreement (and shall provide evidence thereof annually to the City), All Risk Property Insurance, including improvements and betterments, providing (on a primary basis) for replacement cost coverage for the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured. The declaration shall provide that the provisions related to the insurance described in this paragraph shall not be altered without the prior written consent of the City.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase these requirements.

### **SECTION 13. INDEMNIFICATION**

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

(i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(ii) the Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of the Developer or any Affiliate of Developer; or

(iv) the Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

## **SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT**

14.01 Books and Records. The 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 the Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has 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 the Developer hereunder:

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

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

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

(d) 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 the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) the entry of any judgment or order against the Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period;

(i) the dissolution of the Developer; or

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

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of ten (10%) of the Developer's membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, may suspend disbursement of City Funds, and may take action to collect on the corporate guarantees of CenterPoint Properties Trust described in Sections 4.03(b) and 4.03(c) hereof. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the 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 the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the 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 the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the 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 thirty (30) 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 or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such

party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder, except that such party shall not, without the consent of the City, be entitled to hold or receive payments directly under the City Note; 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 the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD. After issuance of a Certificate, such consent is not required with respect to any New Mortgage, provided that the City shall have no obligation to make any payment of City Funds or other amounts to such mortgagee without the City's consent.

## SECTION 17. NOTICE

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

If to the City:

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

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

If to the Developer: CIPM, L.L.C.  
c/o CenterPoint Realty Services Corp.  
1808 Swift Road  
Oak Brook, Illinois 60018  
Attention: Michael Muller

With Copies To: Alheimer & Gray  
10 South Wacker Drive, Suite 4000  
Chicago, Illinois 60606  
Attention: Rolando Acosta

and

Piper Marbury Rudnick & Wolfe  
203 North LaSalle Street, Suite 1800  
Chicago, IL 60601  
Attention: Jason Levin and Richard Klawiter

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 subsection (d) shall be deemed received two (2) business days following deposit in the mail.

## SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto.

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 the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

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

18.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

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 the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

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

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

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

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

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

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

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

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.02, 8.19, 8.21 and 8.22 hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to

discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.18 Exhibits. All of the exhibits attached hereto are incorporated herein by reference.

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act, the Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

18.21 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgement collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a

Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

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

**CIPM, L.L.C.**

an Illinois limited liability company

By: CenterPoint Realty Services Corporation, an Illinois corporation and its sole member

By: 

Its: FRED D. REYNOLDS  
VICE PRESIDENT

**CENTERPOINT REALTY SERVICES CORPORATION**, an Illinois corporation

By: 

Its: MICHAEL M. MULLEN  
PRESIDENT

**CITY OF CHICAGO**

By: \_\_\_\_\_  
Commissioner, Department of Planning and Development

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

**CIPM, L.L.C.**

an Illinois limited liability company

By: CenterPoint Realty Services Corporation, an Illinois corporation and its sole member

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CENTERPOINT REALTY SERVICES CORPORATION**, an Illinois corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CITY OF CHICAGO**

By: Alicia Amber <sup>Bk</sup>  
Commissioner, Department of Planning and Development

STATE OF ILLINOIS        )  
  ) ss  
COUNTY OF COOK        )

I, Jennifer M Carrier, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Michael M Muller personally known to me to be the President of CenterPoint Realty Services Corporation ("CRS"), an Illinois corporation and sole member of CIPM, L.L.C., an Illinois limited liability company ("CIPM"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of CRS, as his/her free and voluntary act and as the free and voluntary act of the CRS and CIPM, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 13 day of September, 2001.

Jennifer M Carrier  
Notary Public

My Commission Expires 3/3/03

(SEAL)



STATE OF ILLINOIS        )  
                                      ) ss  
COUNTY OF COOK        )

I, PATRICIA M. RYAN, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Alicia Mazur Berg, 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 26<sup>th</sup> day of September, 2001.

Patricia M. Ryan  
Notary Public

My Commission Expires 5/06/2002



# Exhibit A Legal Description of Redevelopment Area

Beginning at the point of intersection of the southwesterly extension of the southeasterly line of West Bross Avenue and the west line of the west half of the northwest quarter of Section 31, Township 39 North, Range 14 East of the Third Principal Meridian; thence north along said west half of the west line of the northwest quarter of Section 31 and the west line of the west half of the southwest quarter of Section 30 and the west line of the west half of the northwest quarter of Section 30 to the southwesterly extension of the northwesterly line of the alley northwesterly of South Blue Island Avenue; thence northeasterly along said southwesterly extension and the northwesterly line of the alley northwesterly of South Blue Island Avenue to the west line of South Claremont Avenue; thence north along the west line of South Claremont Avenue to the westerly extension of the south line of Lot 70 in the subdivision of that part of Block 7 lying northwest of South Blue Island Avenue in Laughton's Subdivision of the west half of the northwest quarter of Section 30, Township 39 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension and the south line of said Lot 70 to the southeast line of said Lot 70; thence northeast along said southeasterly line of said Lot 70 to the east line of said Lot 70; thence north along the east line of Lots 70 through 74, both inclusive, in said subdivision of that part of Block 7 lying northwest of South Blue Island Avenue in Laughton's Subdivision, and the northward extension thereof to the south line of Lot 10 in said subdivision of that part of Block 7 lying northwest of South Blue Island Avenue in Laughton's Subdivision, being also the north line of the alley south of West 25<sup>th</sup> Street; thence east along said north line of the alley south of West 25<sup>th</sup> Street to the west line of South Oakley Avenue; thence north along said west line of South Oakley Avenue to the south line of West 25<sup>th</sup> Street; thence west along said south line of West 25<sup>th</sup> Street to the southerly extension of the west line of the alley west of South Oakley Avenue, being also the southerly extension of the east line of Lot 11 in P.M. Thompson's Subdivision of the south half of Block 6 in Laughton's Subdivision of the west half of the northwest quarter of Section 30, Township 39 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and the west line of the alley west of South Oakley Avenue to the south line of West 24<sup>th</sup> Place; thence west along said south line of West 24<sup>th</sup> Place to the southerly extension of the west line of the alley west of South Oakley Avenue, being also the southerly extension of the east line of Lot 12 in the subdivision of the northeast quarter of a block in Laughton's Subdivision; thence north along said southerly extension and the west line of the alley west of South Oakley Avenue to the south line of West 24<sup>th</sup> Street; thence west along said south line of West 24<sup>th</sup> Street to the southerly extension of the east line of Lot 92 in Child's Subdivision of Block 3 of Laughton's Subdivision; thence north along said southerly extension and the east line of said Lot 92 to the north line of said Lot 92, being also the south line of the alley north of West 24<sup>th</sup> Street;

thence west along said south alley line to the southerly extension of the east line of the west 12 feet of Lot 65 in Child's Subdivision of Block 3 of Laughton's Subdivision; thence north along said southerly extension and the east line of the west 12 feet of Lot 65 in Child's Subdivision of Block 3 of Laughton's Subdivision and the northerly extension thereof to the north line of West 23<sup>rd</sup> Place; thence east along said north line of West 23<sup>rd</sup> Place to the east line of South Oakley Avenue; thence south along said east line of South Oakley Avenue to the north line of West 24<sup>th</sup> Street; thence east along said north line of West 24<sup>th</sup> Street to the northerly extension of the east line of Lot 50 in Reaper's Addition to Chicago; thence south along said northerly extension and the east line of said Lot 50 to the south line thereof, being also the north line of the alley south of West 24<sup>th</sup> Street; thence east along said north alley line to the northerly extension of the west line of Lots 56 through 64, both inclusive, said west line being also the east line of the alley east of South Oakley Avenue; thence south along said east alley line to the northwesterly line of Lot 28 in Reaper's Addition to Chicago, said northwesterly line, being also the southeasterly line of the alley northwesterly of West Coulter Street; thence southwest along said southeasterly line of the alley northwesterly of West Coulter Street to the east line of South Oakley Avenue; thence south along said east line of South Oakley Avenue to the northwesterly line of West Coulter Street; thence northeast along said northwesterly line of West Coulter Street to the east line of South Leavitt Street; thence south along said east line of South Leavitt Street to the southwest line of Lots 1 through 28, both inclusive, in Block 5 of Reaper's Addition to Chicago, said southeasterly line being also the northwesterly line of the alley northeasterly of South Blue Island Avenue; thence northeasterly along said northwesterly alley line to the west line of South Wolcott Street; thence north along said west line of South Wolcott Street to the south line of West 23<sup>rd</sup> Street; thence west along said south line of West 23<sup>rd</sup> Street to the west line of South Damen Avenue; thence north along said west line of South Damen Avenue to the westerly extension of the north line of the alley north of West 23<sup>rd</sup> Street; thence east along said westerly extension and the north line of the alley north of West 23<sup>rd</sup> Street and the easterly extension thereof to the east line of South Wolcott Street; thence south along said east line of South Wolcott Street to the north line of West 23<sup>rd</sup> Street; thence east along said north line of West 23<sup>rd</sup> Street to the northerly extension of the west line of Lot 131 in Walker's Subdivision of Block 3 of S.J. Walker's Dock Addition to Chicago; thence south along said northerly extension and the west line of Lot 131 in Walker's Subdivision of Block 3 of S.J. Walker's Dock Addition to Chicago, being also the east line of the alley east of South Wolcott Street to the southeasterly line of said Lot 131; thence northeasterly along the southeasterly line of said Lot 131, and Lots 132 through 142, both inclusive, said southwest line being also the northwesterly line of the alley northwesterly of South Blue Island Avenue to the south line of West 23<sup>rd</sup> Street; thence north along a line perpendicular to said south line of West 23<sup>rd</sup> Street to the north line of said West 23<sup>rd</sup> Street; thence east along said north line of West 23<sup>rd</sup> Street to the west line of South Wood Street; thence north along said west line of South Wood Street to the southwest extension of the

southeasterly line of Lot 35 in the subdivision of Block 2 in S.J. Walker's Dock Addition to Chicago, being also the southwesterly extension of the northwesterly line of the alley northwesterly of South Blue Island Avenue; thence northeasterly along said southwesterly extension and the northwesterly line of the alley northwesterly of South Blue Island Avenue to the west line of South Paulina Street; thence north along said west line of South Paulina Street to the north line of West Cermak Road; thence east along said north line of West Cermak Road to the east line of Lot 90 in B.P. Hinman's Subdivision of Block 64 in the division of Section 19, Township 39 North, Range 14 East; thence north along said east line of Lot 90 to the north line of said Lot 90, being also the south line of the alley in said B.P. Hinman's Subdivision of Block 64 in the division of Section 19, Township 39 North, Range 14 East; thence west along the south line of said alley to the southward extension of the east line of Lot 54 in said B.P. Hinman's Subdivision of Block 64 in the division of Section 19, Township 39 North, Range 14 East; thence north along said east line of Lot 54 and along the west line of the alley west of South Ashland Avenue to the north line of West 21<sup>st</sup> Street; thence east along said north line of West 21<sup>st</sup> Street to the east line of Lot 16 in Larned and Walker's Subdivision of Block 12 in Johnston and Lee's Subdivision of the southwest quarter of Section 20, Township 39 North, Range 14 East of the Third Principal Meridian, being also the west line of the alley west of South Blue Island Avenue; thence north and northeast along said west line of the alley west, and northwest, of South Blue Island Avenue and the northerly extension thereof to the north line of West Cullerton Street; thence east along said north line of West Cullerton Street to the northwest line of Lot 1 in Kasper's Subdivision of Block 11 (lying southeast of South Blue Island Avenue) in Johnston and Lee's Subdivision of the southwest quarter of Section 20, Township 39 North, Range 14 East of the Third Principal Meridian, being also the east line of the alley southeast of South Blue Island Avenue; thence south along a line perpendicular to the south line of West Cullerton Street of the south line of West Cullerton Street; thence west along said south line of West Cullerton Street to the west line of Lot 79 in said Kasper's Subdivision of Block 11 (lying southeast of South Blue Island Avenue) in Johnston and Lee's Subdivision, said west line being also the east line of the alley; thence south along said west line of Lot 79 to the south line of said Lot 79, said south line being also the north line of the alley north of West 21<sup>st</sup> Street; thence east along said south line of Lot 79 and along the south line of Lots 68 through 78, inclusive, in Kasper's Subdivision, being also the north line of the alley north of West 21<sup>st</sup> Street, to the east line of said Lot 68 in Kasper's Subdivision, said east line being also the west line of the alley west of South Loomis Street; thence south along said west line of the alley west of South Loomis Street to the easterly extension of the north line of Lot 58 in said Kasper's Subdivision; thence east along said easterly extension of Lot 58 and along the north line of said Lot 58 to the west line of South Loomis Street; thence north along said west line of South Loomis Street to the westerly extension of the north line of Lot 79 in William's Subdivision of Block 10 in Johnston and Lee's Subdivision of the southwest quarter of Section 20, Township 39 North, Range 14 East; thence east along said westerly extension and along the north line of

said Lot 79 and the easterly extension thereof to the west line of Lot 83 in said William's Subdivision of Block 10 in Johnston and Lee's Subdivision, said west line being also the east line of the alley east of South Loomis Street; thence north along said east alley line to the south line of Lot 72 in said William's Subdivision, being also the north line of the alley north of West 21<sup>st</sup> Street; thence east along south line of said Lot 72 and the south line of Lots 59 through 71, inclusive, in said William's Subdivision, being also the north line of the alley north of West 21<sup>st</sup> Street to the west line of Lot 53 in said William's Subdivision, being also the east line of the alley west of Throop Street; thence south along the west line of said Lot 53 and the west line of Lots 58 through 54, inclusive, in William's Subdivision, being also the east line of the alley west of Throop Street, to the north line of West 21<sup>st</sup> Street; thence east along said north line of West 21<sup>st</sup> Street to the west line of Throop Street; thence north along said west line of Throop Street to the north line of West 19<sup>th</sup> Street; thence east along said north line of West 19<sup>th</sup> Street to the east line of South Allport Street; thence south along said east line of South Allport Street to the north line of West 21<sup>st</sup> Street; thence east along said north line of West 21<sup>st</sup> Street and the north line of West 20<sup>th</sup> Place to the northerly extension of the east line of Lot 16 in McCullen's Subdivision of Block 21 of Walsh and McMullen's Subdivision of the south three-quarter of the southeast quarter of Section 20, Township 39 North, Range 14 East; thence south along said northerly extension of the east line of Lot 16 and along the east line of Lot 16, being also the west line of the alley west of South May Street to the north line of 21<sup>st</sup> Street; thence east along said north line of West 21<sup>st</sup> Street to the west line of South May Street; thence north along said west line of South May Street to the north line of West Cullerton Street; thence east along said north line of West Cullerton Street to the east line of South Carpenter Street; thence south along said east line of South Carpenter Street to the south line of Lots 31 through 45, inclusive, in R.H. Baker's Resubdivision of Block 19 of Walsh's Subdivision of part of the southeast quarter of Section 20, Township 39 North, Range 14 East, being also the north line of the alley north of West 21<sup>st</sup> Street; thence east along said south line of Lots 31 through 45, inclusive, in said R.H. Baker's Resubdivision, being also the north line of the alley north of West 21<sup>st</sup> Street, to the west line of South Morgan Street; thence north along the west line of South Morgan Street to the north line of West Cullerton Street; thence east along said north line of West Cullerton Street to the west line of South Sangamon Street; thence north along said west line of South Sangamon Street to the south line of West 18<sup>th</sup> Street; thence west along said south line of West 18<sup>th</sup> Street to the southerly extension of the east line of Lot 44 in M.L. Dallam's Subdivision of Block 4 in the Assessor's Division of the north quarter of the southeast quarter of Section 20, Township 39 North, Range 14 East; thence north along said southerly extension of the east line of Lot 44 in M.L. Dallam's Subdivision and along the east line of Lot 44 in M.L. Dallam's Subdivision and along the northerly extension of the east line of said Lot 44 to the south line

of Lot 42 in said M.L. Dallam's Subdivision; thence east and northeast along the south line and southeast line of said Lot 42 to the east line of said Lot 42; thence north along said east line of Lot 42 and the east line of Lots 14, 15, 18, 19, 22, 23, 26, 27, 30, 31, 34, 35, 38 and 39 in said M.L. Dallam's Subdivision, being also the west line of the alley east of South Morgan Street to the northeast line of said Lot 14; thence northwest and west along the northeast and north line of said Lot 14, being also the south line of the alley south of West 18<sup>th</sup> Street to the east line of South Morgan Street; thence north along said east line of South Morgan Street to the north line of West 16<sup>th</sup> Street; thence east along said north line of West 16<sup>th</sup> Street to the northerly extension of the west line of Lot 8 in Geo. Roth's Subdivision of Block 17 in Assessor's Division of the north quarter of the southeast quarter of Section 20, Township 39 North, Range 14 East; thence south along said northerly extension of the west line of Lot 8 in Geo. Roth's Subdivision and the west line of said Lot 8 and along the west line of Lots 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35 and 37 to the south line of said Lot 37, being also the north line of the alley north of West 18<sup>th</sup> Street; thence east along said south line of said Lot 37 to the northerly extension of the east line of Lot 45 in said Geo. Roth's Subdivision; thence south along said northerly extension of the east line of Lot 45 and the east line of said Lot 45 to the north line of West 18<sup>th</sup> Street; thence West along said north line of west 18<sup>th</sup> Street to the northerly extension of the east line of South Peoria Street; thence south along said northerly extension of the east line of South Peoria Street to the south line of West 18<sup>th</sup> Street; thence west along said south line of West 18<sup>th</sup> Street to the west line of Lot 21 in the subdivision of the north half of Block 5 of Walsh and McMullen's Subdivision of the south three-quarters of the southeast quarter of Section 20, Township 39 North, Range 14 East, said west line of Lot 21 being also the east line of the alley east of South Sangamon Street; thence south along said east line of the alley east of South Sangamon Street and the southerly extension thereof to the south line of West 18<sup>th</sup> Place; thence west along said south line of West 18<sup>th</sup> Place to the east line of Lot 14 in the subdivision of the south half of Block 5 of Walsh and McMullen's Subdivision of the south three-quarters of the southeast quarter of Section 20, Township 39 North, Range 14 East; thence south along said east line of Lot 14 in the subdivision of the south half of Block 5 of Walsh and McMullen's Subdivision and the southerly extension thereof and the east line of Lot 17 in said subdivision of the south half of Block 5 of Walsh and McMullen's Subdivision to the north line of West 19<sup>th</sup> Street; thence east along said north line of West 19<sup>th</sup> Street to the east line of South Peoria Street; thence south along said east line of South Peoria Street to the westerly extension of the north line of West 21<sup>st</sup> Street; thence east along said westerly extension of the north line of West 21<sup>st</sup> Street and the north line of West 21<sup>st</sup> Street to the west line of West Halsted Street; thence north along said west line of West Halsted Street to the westerly extension of the north line of West 21<sup>st</sup> Street; thence east along said westerly extension of the north line of West 21<sup>st</sup>

Street and the north line of West 21<sup>st</sup> Street to the west line of South Ruble Street; thence north along said west line of South Ruble Street to the westerly extension of the north line of Lot 43 in the subdivision of Lot 2 in Block 38 in Canal Trustee's Subdivision of the west half of Section 21, Township 39 North, Range 14 East; thence east along said westerly extension of the north line of Lot 43 and the north line of said Lot 43 and the easterly extension thereof to the northerly extension of the west line of the south 10 feet of Lot 59 in the subdivision of Lot 1 in Block 38 in Canal Trustee's Subdivision of the west half of Section 21, Township 39 North, Range 14 East; thence south along said northerly extension of the west line of the south 10 feet of said Lot 59 to the north line of the south 10 feet of said Lot 59; thence east along said north line of the south 10 feet of said Lot 59 to the west line of South Desplaines Street; thence north along said west line of South Desplaines Street to the westerly extension of the north line of Lot 19 in the subdivision of Lot 1 in Block 38 in Canal Trustee's Subdivision of the west half of Section 21, Township 39 North, Range 14 East; thence east along said westerly extension of the north line of Lot 19 and the north line of Said Lot 19 and the north line of Lot 20 in said subdivision of Lot 1 and the easterly extension thereof to the east line of South Jefferson Street; thence south along said east line of South Jefferson Street to the north line of West Cullerton Street; thence east along said north line of West Cullerton Street to the northerly extension of the east line of Lot 23 in O.M. Dorman's Subdivision of part of Block 37 in Canal Trustee's Subdivision of the west half of Section 21, Township 39 North, Range 14 East; thence south along said northerly extension of the east line of Lot 23' on O.M. Dorman's Subdivision and the east line of said Lot 23 to the south line of said Lot 23; thence east along said south line of Lot 23 and along the south lines of Lots 18 through 22, inclusive, in said O.M. Dorman's Subdivision to the east line of said Lot 18; thence north along said east line of Lot 18 and the northerly extension thereof to the north line of West Cullerton Street; thence east along said north line of West Cullerton Street to the west line of South Clinton Street; thence north along said west line of South Clinton Street to the northwesterly line of South Canalport Avenue; thence northeast along the northwesterly line of South Canalport Avenue to the south line of West 18<sup>th</sup> Street; thence west along said south line of West 18<sup>th</sup> Street to the southerly extension of the east line of Lot 30 in Webster's Subdivision of Outlots 3 and 4 in Block 45 in Canal Trustee's Subdivision of the west half of Section 21, Township 39 North, Range 14 East; thence north along said southerly extension of the east line of Lot 30 and along the east line of said Lot 30 and along the northerly extension of the east line of said Lot 30 to the south line of Lot 21 in said Webster's Subdivision, said south line being also the north line of the alley north of West 18<sup>th</sup> Street; thence east along said north line of the alley north of West 18<sup>th</sup> Street and the easterly extension thereof to the east line of South Jefferson Street; thence south along said east line of South Jefferson Street to the south line of Lot 12 in Hull and Clarke's Subdivision of Lot 3 in Block 44 of Canal

Trustee's Subdivision of the west half of Section 21, Township 39 North, Range 14 East, said south line being also the north line of the alley north of West 18<sup>th</sup> Street; thence east along said south line of Lot 12 to the east line of said Lot 12, said east line of Lot 12 being also the west line of the alley west of South Clinton Street; thence north along said west line of South Clinton Street to the south line of Lot 23 in C.J. Hull's Subdivision of Lot 2 in Block 44 of Canal Trustee's Subdivision of the west half of Section 21, Township 39 North, Range 14 East; thence west along said south line of Lot 23 in C.J. Hull's Subdivision to the east line of South Jefferson Street; thence south along said east line of South Jefferson Street to the easterly extension of the north line of Lot 2 in Webster's Subdivision of Outlots 3 and 4 in Block 45 in Canal Trustee's Subdivision of the west half of Section 21, Township 39 North, Range 14 East; thence west along said easterly extension of the north line of Lot 2 in Webster's Subdivision and along the north line of said Lot 2 and the westerly extension thereof and along the north line of Lot 1 and the westerly extension thereof to the west line of South Desplaines Street; thence north along said west line of South Desplaines Street to the north line of West 16<sup>th</sup> Street; thence east along said north line of West 16<sup>th</sup> Street to the west Dock Line of the Chicago River as defined in the ordinance for altering the channel of the south branch of the Chicago River passed April 13, 1926; thence south along west Dock Line of the Chicago River to the northerly extension of the west line of Lot 2 in Canal Trustee's Subdivision in the southeast quarter of Section 21, Township 39 North, Range 14 East, lying east of the south branch of the Chicago River, said west line of Lot 2 being also the east line of South Stewart Avenue; thence south along said east line of South Stewart Avenue to the southeasterly line of South Archer Avenue; thence southwest along said southeasterly line of South Archer Avenue to the east line of South Green Street; thence south along said east line of South Green Street to the easterly extension of the north line of Lot 4 in Healy Brother's Subdivision of parts of Lots 1 and 2 of Block 24 in Canal Trustee's Subdivision of blocks in the south fractional half of Section 29, Township 39 North, Range 14 East, said easterly extension of the north line of Lot 4 in Healy Brother's Subdivision being a line 150 feet north of the north line of West 27<sup>th</sup> Street; thence west along said easterly extension of the north line of Lot 4 in Healy Brother's Subdivision and along the north line of said Lot 4 in Healy Brother's Subdivision to the west line of said Lot 4, said west line being also the east line of the alley west of South Green Street; thence south along said east line of the alley west of South Green Street to the easterly extension of the north line of the alley north of and adjoining Lots 17, 18, 19 and 20 in the subdivision of Sublot 2 in Healy Brother's Subdivision; thence west along said easterly extension and north alley line and the westerly extension thereof to the west line of South Peoria Street; thence north along said west line of South Peoria Street to the north line of Lot 1 in Richland Gardens III, said north line of Lot 1 being also the south line of the alley north of West 27<sup>th</sup> Street; thence west along said south alley line to the northeast line

of South Senour Avenue (formerly known as Quarry Street); thence southeast along said northeast line of South Senour Avenue to the north line of West 27<sup>th</sup> Street; thence east along said north line of West 27<sup>th</sup> Street to the east line of South Halsted Street; thence south along said east line of South Halsted Street to the easterly extension of the south line of West 29<sup>th</sup> Street; thence west along said easterly extension of the south line of West 29<sup>th</sup> Street and along the south line of said West 29<sup>th</sup> Street to the southeasterly extension of the southwesterly line of South Poplar Avenue; thence northwest along said southeasterly extension of the southwesterly line of South Poplar Avenue and along the southwesterly line of South Poplar Avenue to the northwesterly line of Lot 67 in Commissioner's Subdivision of Lot 9 in Block 24 in the Canal Trustees' Subdivision of blocks in the south fractional half of Section 29, Township 39 North, Range 14 East; thence southwest along said northwesterly line of Lot 67 in Commissioner's Subdivision and the southwesterly extension thereof to the northeasterly line of Lots 18, 19, 24, 25, 30, 31, 36, 37, 42, 43, 48 and 49, in the subdivision by the executor of the estate of Peter Quinn, deceased, of Lot 6 (except the east 1 acre) and all of Lot 7 in Block 24 in Canal Trustees' Subdivision, said northeasterly line being also the southwesterly line of the alley northeasterly of South Quinn Street; thence northwesterly along said southwesterly line of said alley, to the northwesterly line of said Lot 18, said northwesterly line being also the southeasterly line of the alley southeasterly of South Archer Avenue; thence southwest along said northwesterly line of said Lot 18 and southwesterly extension thereof to the southwesterly line of South Quinn Street; thence northwest along said southwesterly line of South Quinn Street to the southeasterly line of South Archer Avenue; thence southwest along said southeasterly line of South Archer Avenue to the southeasterly extension of the southwesterly line of South Throop Street; thence northwest along said southeasterly extension of the southwesterly line of South Throop Street and the southwesterly line of South Throop Street to the southwesterly extension of the northwesterly line of South Hillock Avenue; thence northeast along said southwesterly extension of the northwesterly line of South Hillock Avenue and the northwesterly line of South Hillock Avenue to the northwesterly extension of the southwesterly line of Lot 8 in Maher's Subdivision of Lots 1 and 4 in Block 22 in Canal Trustees' Subdivision of blocks in the south fractional half of Section 29, Township 39 North, Range 14 East; thence southeast along said northwesterly extension of the southwesterly line of Lot 8 in Maher's Subdivision and the southwesterly line of Lot 8 in Maher's Subdivision to the southeast line of said Lot 8, said southeasterly line of Lot 8 being also the northwesterly line of the alley southeasterly of South Hillock Avenue; thence northeast along said northwesterly alley line to the southwesterly line of South Mary Street; thence northwest along said southwesterly line of South Mary Street to the northeasterly extension of the northwesterly line of South Hillock Avenue; thence southwest along said northeasterly extension of the northwesterly line of South Hillock Avenue to

the northeasterly line of Lot 1 in E. B. Ward's Subdivision of Lot 8 of Blocks 3 and 4 of Canal Trustee's Subdivision of blocks in south fractional half of Section 29, Township 39 North, Range 14 East; thence northwest along said northeasterly line of Lot 1 in E. B. Ward's Subdivision to the south line of West 25<sup>th</sup> Street; thence west along said south line of West 25<sup>th</sup> Street to the northeasterly extension of the southeasterly line of South Eleanor Street; thence southwest along said northeasterly extension of the southeasterly line of South Eleanor Street and the southeasterly line of South Eleanor Street to the northeasterly line of West Fuller Street; thence southeast along said northeasterly line of West Fuller Street to the northwesterly extension of the southwesterly line of Lot 11 in the subdivision of Lots 2 and 5 in Block 18 in Canal Trustee's Subdivision of the blocks in the south fractional Section 29, Township 39 North, Range 14 East, said southwesterly line of Lot 11 being also the northeasterly line of the alley southwest of South Grady Court; thence southeast along said northwesterly extension of the southwesterly line of Lot 11 and the northeasterly line of the alley southwesterly of South Grady Court to the north line of that part of the alley vacated by ordinance passed July 21, 1967; thence southwest along said northwest line of said vacated alley to the centerline of said vacated alley; thence southeast along said centerline of the vacated alley to the northwesterly line of the railroad right-of-way of the Illinois Central Railroad; thence southwest along said northwest line of the railroad right-of-way to the west line of South Ashland Avenue; thence continuing southwest along the northwest line of the railroad right-of-way of the G. M. & O. Railroad to the north line of West 33<sup>rd</sup> Street; thence south along a line perpendicular to the north line of West 33<sup>rd</sup> Street to the south line of West 33<sup>rd</sup> Street; thence west along said south line of West 33<sup>rd</sup> Street to the southerly extension of the west line of South Damen Avenue; thence north along said southerly extension of the west line of South Damen Avenue and the west line of South Damen Avenue to the south line of West 32<sup>nd</sup> Street; thence west along said south line of West 32<sup>nd</sup> Street to the southeasterly line of West Bross Avenue; thence southwest along said southeasterly line of West Bross Avenue to the place of beginning, all in Cook County, Illinois.

## **EXHIBIT B**

### **PROPERTY**

#### **PARCEL 1:**

LOTS 1 TO 15, BOTH INCLUSIVE, IN BLOCK 13 (EXCEPTING THEREFROM THE WEST 65 FEET OF THE SOUTH 15 FEET OF LOT 2 AND THE WEST 15 FEET OF LOTS 3 TO 15, BOTH INCLUSIVE, IN BLOCK 13) AND LOTS 16, 17 AND 18 (EXCEPTING THEREFROM THE WEST 100 FEET THEREOF), IN BLOCK 13; AND LOTS 19 TO 34, BOTH INCLUSIVE, IN BLOCK 12 AND LOT 35 (EXCEPTING THEREFROM THE NORTH 80.4 FEET OF THE EAST 30 FEET THEREOF) AND LOT 36 (EXCEPTING THEREFROM THE EAST 80 FEET THEREOF) IN BLOCK 12, ALL SAID LOTS AND BLOCKS BEING IN S.J. WALKER'S DOCK ADDITION TO CHICAGO, BEING A SUBDIVISION OF THAT PART OF THE EAST ½ OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH LIES NORTH OF THE WEST BRANCH OF THE SOUTH BRANCH OF THE CHICAGO RIVER IN COOK COUNTY, ILLINOIS.

#### **PARCEL 2:**

THE WESTERLY ½ OF CANAL "C" LYING EAST OF AND ADJOINING LOTS 19 TO 35, BOTH INCLUSIVE, (EXCEPTING THEREFROM THE NORTH 80.4 FEET OF THE WESTERLY ½ OF CANAL "C" LYING EAST OF AND ADJOINING THE NORTH 80.4 FEET OF LOT 35), ALL IN BLOCK 12 IN S.J. WALKER'S DOCK ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE EAST ½ NORTH OF RIVER OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

#### **PARCEL 3:**

ALL THAT PART OF VACATED SOUTH WOLCOTT AVENUE DESCRIBED AS FOLLOWS: LYING WEST OF THE WEST LINE OF LOTS 19 TO 36, BOTH INCLUSIVE, IN BLOCK 12 AFORESAID; LYING EAST OF THE EAST LINE OF LOTS 1 TO 18, BOTH INCLUSIVE, IN BLOCK 13 AFORESAID LYING SOUTH OF LINE DRAWN AT RIGHT ANGLES TO THE WEST LINE OF LOT 36 IN BLOCK 12 FROM A POINT WHICH IS 38.89 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT 36 AS MEASURED ALONG THE WEST LINE OF SAID LOT 36, SAID RIGHT ANGLE LINE EXTENDED WEST TO THE EAST LINE OF LOT 1 IN BLOCK 13 AND LYING NORTH AND NORTHERLY OF A LINE DRAWN FROM THE SOUTHWEST CORNER OF LOT 19 IN BLOCK 12 TO THE SOUTHEAST CORNER OF LOT 18 IN BLOCK 13 AFORESAID; SAID VACATED STREET BEING FURTHER DESCRIBED AS THAT PART OF SOUTH WOLCOTT AVENUE LYING

BETWEEN A RIGHT ANGLE LINE DRAWN FROM THE EAST LINE OF SOUTH WOLCOTT AVENUE FROM A POINT 38.89 FEET SOUTH OF THE SOUTHEASTERLY LINE OF THE BURLINGTON NORTHERN SANTA FE RAILROAD AND THE NORTHWESTERLY LINE OF THE WEST FORK OF THE SOUTH BRANCH OF THE CHICAGO RIVER, AS VACATED BY VACATION ORDINANCE RECORDED OCTOBER 4, 2000 AS DOCUMENT 00778090.

PARCEL 4:

EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY AGREEMENT RECORDED OCTOBER 19, 1979 AS DOCUMENT 25201753 AS CREATED BY EASEMENT AGREEMENT MADE BY AND BETWEEN LASALLE NATIONAL BANK, UNDER TRUST NO. 44760, AND EDWARD HINES LUMBER CO., A CORPORATION OF DELAWARE, OVER THE FOLLOWING DESCRIBED PROPERTY:

AN EASEMENT 22 FEET IN WIDTH LYING 11 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE; BEING THAT PART OF LOTS 16, 17 AND 18 IN BLOCK 13 IN S.J. WALKER'S DOCK ADDITION TO CHICAGO, BEING A SUBDIVISION OF THAT PART OF THE EAST ½ OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH LIES NORTH OF THE WEST BRANCH OF THE SOUTH BRANCH OF THE CHICAGO RIVER DESCRIBED AS FOLLOWS:

NOTE: THE WEST LINE OF AFORESAID LOTS 16, 17 AND 18 IS CONSIDERED AS BEARING DUE NORTH FOR THE FOLLOWING COURSES: COMMENCING AT THE NORTHWEST CORNER OF AFORESAID LOT 16, THENCE NORTH 89 DEGREES 54 MINUTES EAST IN ITS NORTH LINE, A DISTANCE OF 35 FEET TO THE POINT OF BEGINNING OF THE AFORESAID CENTER LINE; THENCE SOUTH IN AFORESAID CENTER LINE A DISTANCE OF 347.0 FEET TO MANHOLE; THENCE SOUTH 25 DEGREES 49 MINUTES WEST IN AFORESAID CENTER LINE A DISTANCE OF 71.50 FEET TO THE END OF THE SEWER BEING IN THE WESTERLY FACE OF STEEL SHEETING, IN COOK COUNTY, ILLINOIS.

PINs : 17-30-208-009  
17-30-209-015

## EXHIBIT C

### TIF-FUNDED IMPROVEMENTS

<u>TIF-Funded Improvement</u>	<u>Cost</u>
Wolcott & Blue Island Public Improvements	\$ 812,385
Site Preparation	\$1,737,794
Seawall Repairs	\$20,000
Surveys/Plats Consolidation (Wolcott)	\$17,200
Performance Bond related to TIF-Funded Improvements	\$10,000
Land Acquisition	\$6,250,775
Environmental Assessment and Engineered Barrier	\$492,026
Legal on Land Acquisition	\$38,190
Legal on Canal C	\$10,000
Traffic Studies (Wolcott/Blue Island)	\$21,000
General Conditions, Contractor Profit and Overhead for TIF-Funded Improvements	\$209,213
<b>Total:</b>	<b>\$9,618,583*</b>

\*Although this figure may exceed \$9,000,000, the amount of City Funds disbursed pursuant to this Redevelopment Agreement shall not exceed the limits set forth in Section 4.03 herein.

**EXHIBIT D**

**REDEVELOPMENT PLAN**

*Exhibit "A".*  
(To Ordinance)

*The Pilsen Tax Increment Financing  
Redevelopment Project And Plan.*

## I. INTRODUCTION

This document is to serve as a redevelopment plan for the Pilsen Community, which includes a majority of the industrial corridor and commercial areas within the community. This area is subsequently referred to in this document as the Pilsen Tax Increment Financing Redevelopment Project Area. (the "Project Area").

As part of its strategy to encourage managed growth and stimulate private investment within the Pilsen Community, the City engaged Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to study whether the Project Area of approximately 907 acres qualifies as a "conservation area," a "blighted area" or an "industrial park/conservation area" under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11/74.4-3), (the "Act"). The Project Area is generally bounded by Cullerton Avenue (between Ashland Avenue and Morgan Street) and 16th Street (between Morgan Street and Stewart Avenue) on the north, Stewart Avenue and the Chicago River on the east, the Stevenson Expressway and 33rd Street on the south, and Western Avenue on the west.

The Pilsen Community is one of Chicago's oldest and most unique urban neighborhoods. The neighborhood's special character can be attributed to its continual service as an important port of entry for immigrants dating back to the late 1800's. Throughout its history, Pilsen has been home to Polish, Czechoslovakian, Lithuanian, Irish, German, and Bohemian immigrants and is now predominately populated by Hispanic families. The urban flavor of Pilsen originated from its early settlement pattern of small compact residences located very close to the growing industry along Pilsen's riverbanks. As Pilsen grew over time, this development pattern took precedence, resulting in a patchwork of various land uses within the community. Even though this type of development does not exhibit the best planning practices due to industrial activities being adjacent to residential uses, Pilsen has used it to its advantage and has remained a viable urban neighborhood to date. The community is very local by nature, utilizing the close proximity of local industrial employment opportunities, commercial activities, and residential areas.

However, despite the available local labor pool, much of Pilsen's industrial corridor is vacant or underutilized. The physical conditions of both the buildings and infrastructure have continued to deteriorate. To better assess the needs and past trends of Pilsen's industrial area, the Chicago industrial market and how it relates to the industrial activity within Pilsen has been examined. Such examination helps identify specific weaknesses and strengths within the area's market and identifies possible solutions for the Pilsen Community to remain competitive within the Chicago industrial market as a whole.

### Chicago Industrial Market

The Chicago metropolitan area maintains one of the country's largest inventories of industrial space, with a mid-1997 inventory of 861.7 million square feet. The market is very active; over the last year, approximately 24.3 million square feet of industrial space have been leased in the metropolitan area, 12.1 million square feet were sold, and 11.1 million square feet of new construction were completed.<sup>1</sup>

For purposes of industrial market analysis, real estate professionals divide the City of Chicago into two submarkets: Chicago North and Chicago South, with Roosevelt Road (1200 south) as the dividing line. The make-up of the City's inventory is significantly different from that of the suburban inventory. Seventy-three percent of the City's inventory is manufacturing space and 27% is warehouse and distribution space; less than 1% is office/service center. In contrast, 52% of the suburban inventory is manufacturing space, 44% is warehouse and distribution space, and 4% is office/service center. These proportions reflect the fact that the City has an older inventory of industrial space that was typically developed for large manufacturers.<sup>1</sup>

The Chicago South submarket is where the Project Area is located. This South submarket, with 11.2 million square feet available and a vacancy rate of 8.3%, represents 17.0% of the available industrial space in the Chicago metropolitan area. Chicago South has 11% of the Chicago metropolitan area's inventory of warehouse/distribution space and 18.5% of the entire Chicago metropolitan market's available space in that category. Much of this space is obsolete in its current condition and requires substantial renovation to attract modern industries.<sup>1</sup>

Industrial development occurred from the late 1800s through the early 1970s in the Chicago South submarket, taking advantage of the shipping opportunities provided by the south branch of the Chicago River, the Illinois and Michigan Canal, Lake Michigan ports, and the confluence of multiple railroad lines. Construction of the Dan Ryan and Stevenson expressways (Interstate Routes 90/94 and 55, respectively), two of the earliest sections of the federal highway system, further strengthened the South Chicago industrial market. However, more recently, the region's expanding expressway system has made suburban markets more accessible, unfortunately facilitating the development of attractive suburban markets. Also, the changing industrial needs and obsolete facilities have led to the abandonment of many industrial properties in the Chicago South submarket. But despite these current trends of industrial development in the suburban markets, the Chicago South submarket retains its strong locational advantages for many types of industrial users.

---

<sup>1</sup> Goodman Williams Group - Cushman & Wakefield of Illinois Research Service.

When analyzed as a whole, the Chicago metropolitan area has a healthy and active industrial real estate market. Yet the City's South Side, representing 15.6% of the metropolitan area's inventory of industrial space, is not fully participating in this strong market. The South Side has a higher vacancy rate, achieves lower rents, and is not capturing any of the metropolitan area's considerable new construction activity.

The nature of industrial employment in Chicago has been affected by two major national factors.

- Starting in the 1970s and continuing through the 1980s, the job base shifted away from manufacturing toward a service-oriented economy. In 1985, industrial employment represented 52% of all private-sector employment in the six-county Chicago metropolitan area, and 46% of the City's total. In 1995, those figures had fallen to 39% and 27%, respectively.
- Industrial jobs continued to move out of central urban areas to suburban communities. In 1985, 43% of all jobs in the Chicago metropolitan area were located within the City; by 1995, the City's share had fallen to 34%. The City's share of the industrial employment in the metropolitan area fell from 39% in 1985 to 26% in 1995.<sup>2</sup>

Despite these shifts in employment for the City and for the Metropolitan area as a whole, industrial employment remains very important to the job base of the Project Area. Within the zip code that covers the majority of the Project Area, half (49.7%) of the private-sector employment in zip code 60608 is in manufacturing and wholesale trade. In comparison, only 21% of the City's private-sector employment is in the industrial categories, as reported by the Illinois Department of Employment Security. The entire Project Area west of Halsted Street is covered by the Zip code 60608 and approximately 75% of the industrial district is within this zip code.

The employment data show that while industrial employment within the Project Area continues to remain overwhelmingly industrial in nature, many jobs are leaving the Project Area. In the face of structural economic changes and the City's loss of jobs to the suburban areas, the City as a whole has an industrial job base that has remained relatively stable. The maintenance of this industrial job base is critical to the economic well being of the area and to the City.

---

<sup>2</sup> Illinois Department of Employment Security data

### **The Project Area**

The Project Area has roughly the same boundaries as the Pilsen Industrial Corridor, which is among eight corridors defined by the City in its report, *Corridors of Industrial Opportunity: A Plan for Industry in Chicago's West Side*. The designation by the City indicates that the corridor is already home to industrial companies as well as a resource of space for industrial development.

The Pilsen Industrial Corridor is one of the City's oldest industrial areas and one of the closest to the City's central area. The original industrial development of this corridor area occurred along the south branch of the Chicago River, and development expanded with the completion of the Illinois and Michigan Canal in 1848. Lumberyards, brickyards, and a limestone quarry were among the original industries.

The considerable physical assets of the Project Area include the following features:

- The Stevenson Expressway (Interstate Route 55) roughly parallels the southern boundary of the proposed Pilsen TIF District.
- The Dan Ryan Expressway (I-90/94) intersects the eastern portion of the subject area, east of Halsted.
- Five rail lines are Burlington Northern, Santa Fe, Illinois Central Gulf, CONRAIL, and Union Pacific.
- The South Branch of the Chicago River provides a navigable waterway.
- The CTA provides Rapid Transit service with stations located outside the boundaries of the proposed district. Stations along the Douglas (Blue) Line are at 18<sup>th</sup> Street west of Ashland and at Hoyne and Western. The Midway (Orange) Line, which runs south of and parallel to I-55, stops at near Halsted, Ashland, and Western.
- Major north-south arterials serving the area are Western Avenue, Ashland Avenue, and Halsted.
- A portion of the Project Area is within the City's Empowerment Zone.

The major physical constraint of the Project Area is the lack of east-west streets south of Cermak Road and Blue Island Avenue.

The Project Area enjoys strong locational assets, particularly its excellent highway, water, and rail access, and is a key resource of the City's industrial market. However, without reinvestment, the Project Area is likely to continue to erode as existing companies choose to relocate and prospective businesses find more attractive environments. With a modern industrial infrastructure and competitive buildings, the Project Area could successfully compete in the Chicago area.

The Project Area also includes a limited commercial district along Blue Island Avenue, Ashland Avenue, and Oakley Avenue. See Figure 1: *Boundary Map* for the boundaries of the commercial district. This commercial district contains some of the oldest and distinct commercial areas in the City. The conditions of both the buildings and infrastructure are quite old and require extensive repair. Due to the poor physical condition, it is important that the commercial district be included in the Project Area so that it will have the ability to be maintained and improved, having the means to support the Pilsen Community.

Recognizing the Project Area's continuing potential as a vital industrial and commercial corridor, the City of Chicago is taking a proactive step toward the economic renaissance of the Project Area. The City wishes to complement previous efforts to stabilize industrial land uses, such as the Model Industrial Corridors Program, and support industrial and business expansion and to encourage private investment and development activity through the use of Tax Increment Financing.

The Project Area, described in more detail below as well as in the accompanying Eligibility Study, has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the efforts and leadership of the City.

#### ***A. Pilsen Tax Increment Financing Redevelopment Project Area***

The Project Area contains 510 buildings and encompasses a total of approximately 907 acres and is located one mile southwest of downtown Chicago. All areas of the Project Area are improved with buildings. For a map depicting the boundaries and legal description of the Project Area, see Section II, *Legal Description*.

In general, the Project Area can be divided into two parts: a) the "industrial district," which is generally bounded by 16th Street on the north, Stewart Avenue and the Chicago River on the east, the Stevenson Expressway and 33rd Street on the south, and Western Avenue on the west; and b) the "commercial district," which is generally located along Ashland Avenue between Cermak and 21st Street, Blue Island Avenue between Western Avenue and Laflin Street, and along Oakley Avenue between 23rd Place and 25th Street.

---

### **The Pilsen Industrial District**

The majority of the Project Area is encompassed by the Pilsen Industrial Corridor. In March of 1995, *The Model Industrial Corridor Initiative: Pilsen Industrial Corridor Final Plan* (the "Strategic Plan") was completed as a precursor to this Redevelopment Plan. The Strategic Plan forms the basis for many of the recommendations contained in this Redevelopment Plan.

The industrial district encompasses approximately 860 acres which contains mostly industrial uses with scattered commercial and residential properties. The industrial properties located north of Cermak Road are generally small in size and are interspersed with residential and commercial properties. The majority of the industrial properties located south of Cermak Road include much larger sites not broken up by east/west cross streets.

The industrial district contains approximately 150 businesses employing a total of approximately 7,800 people. Major employers include: Carmichael Leasing Co., Inc., Triple A Services, Inc., Brandenburg Industrial Services, East Balt Commissary Inc., V & V Food Products Inc., Rubin Manufacturing Inc., Jefferson Smurfit Corporation, Premium Plastics Inc., Cozzi Iron & Metal, Inc., Kramer & Co., Inc., Allied Metal Co., Tool & Engineering Co., Pines Trailer L.P., Illinois Recycling Services Inc., Dearborn Wholesale Grocers, and Coca-Cola Bottling Company.

The industrial district contains a mix of industrial buildings with 82 percent of the 343 buildings being over 35 years old. The area is characterized by aging infrastructure, safety concerns, fly dumping, vacant land and buildings, deteriorated site development, poor image and appearance, and the lack of cooperation among area businesses and owners. Also, many of the older industrial buildings have become functionally obsolete for contemporary industrial operations.

### **The Commercial Redevelopment District**

The commercial district along Ashland Avenue, Blue Island Avenue, and Oakley Avenue contains approximately 47 acres. This area is compact and dense with no undeveloped land. The majority of the buildings are commercial use with residential on the upper floors. Single family homes are scattered throughout the commercial district. Ninety one percent of the 167 buildings are over 35 years old and require major repair or maintenance. Since 1994 the City of Chicago Building Department has issued building code violations for over 50 different buildings in the commercial area, indicating that many of the buildings in the area are in need of major repair. In addition, infrastructure improvements are needed in the area.

### The Project Area as a Whole

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. Evidence of this lack of growth and development is detailed in *Section VI* and summarized below.

- Numerous buildings show signs of obsolescence, deterioration, building code violations, excessive vacancies, and an overall depreciation of physical maintenance.
- The majority of the Project Area's infrastructure needs to be repaired or replaced. There are several viaducts that need to be reconstructed to enable passage of tractor trailers through the Project Area. The street conditions are quite poor, requiring rebuilding or resurfacing. Most of the Project Area's curbs, gutters, and sidewalks need replacement. Vaulted sidewalks are present in select areas of the Project Area. The replacement of these vaulted sidewalks are more difficult and costly as compared to the "non-vaulted" sidewalks. The retaining walls along the river are very old and may require maintenance and repair.
- Between 1/4/93 to 2/20/98, 121 building permits were issued for new construction, additions, and alterations, which totaled approximately \$8,100,000. Over half of these permits were for smaller scale projects requiring less than \$25,000 worth of work, indicating no major developments or renovations in the area. Only 6% (\$488,500) of this work was for industrial type buildings and 5.4% (\$437,000) of the construction was for commercial/retail/office type buildings. About 52.5% (\$4,146,750) of the construction activity was for miscellaneous structures such as pumps, elevators, garages, and A/C units. Overall, the investment is very scattered having little to no impact on the area.
- There have been over 25 demolition permits issued between 1/4/93 to 2/20/98 years for the Project Area. This indicates a decline in business activity in the Project Area since these demolitions have not been replaced with new construction.
- Between 1991 and 1996, the assessed valuation (the "AV") of the Project Area decreased by 0.01 percent, while the AV of the City as a whole increased by 7.10 percent between 1991 and 1996.
- Between 1990 and 1995 there was a 25% decrease in durable goods manufacturing jobs, a 9% decrease in non-durable goods manufacturing jobs, and a 11% decrease in wholesale trade jobs within the area covered by Zip code 60608, according to the Illinois Department of Employment Security. This area is bounded by Roosevelt Road on the north, Halsted Street on the east, 35th Street on the south, and California Avenue on the west. The entire Project Area west of Halsted Street is covered by the Zip code, 60608 and approximately 75% of the industrial district is within this zip code.
- The industrial district is part of the Chicago South industrial submarket which has significantly lower rents than the Chicago North industrial submarket and the Metropolitan area. The dividing line between the North and South submarkets is Roosevelt Road (1200 south). The average weighted rental rate for manufacturing in the south submar-

ket is \$2.53 per square foot, as compared to \$3.67/sq. ft. and \$3.55/sq. ft. in the north submarket and metropolitan area (Source: *Goodman Williams Group/Cushman and Wakefield*).

- The Chicago South industrial submarket has a significantly higher vacancy rate as compared to the Chicago North submarket and the metropolitan area. The vacancy rates are as follows: Chicago South submarket - 8.3%, Chicago North submarket - 5.6%, and the metropolitan area - 7.7%. (Source: *Goodman Williams Group/Cushman and Wakefield*).

Without a comprehensive and area-wide effort by the City to promote investment, the Project Area will not likely be subject to sound growth and development through private investment. Additionally, the Project Area would likely continue to be characterized by dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, the depreciation of physical maintenance and an overall lack of community planning.

While small-scale, piecemeal development might occur in limited portions of the Project Area, the City believes that the Project Area should be revitalized on a coordinated, comprehensive and planned basis to ensure continuity with the planning efforts of the surrounding industrial corridors and neighborhoods. A coordinated and comprehensive redevelopment effort will allow the City and other taxing districts to work cooperatively to prepare for the increased service demands that may arise from the conversion of underutilized land and buildings to more intensive uses. Such a comprehensive redevelopment plan will also encourage job training to assist in putting residents of the surrounding neighborhoods to work in the newly created jobs within the Project Area.

### ***B. Tax Increment Financing***

In January 1977, Tax Increment Financing ("TIF") was made possible by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "Act"). The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current Equalized Assessed Value (the "EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within the project 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.

Tax increment financing does not generate tax revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

### ***C. The Redevelopment Plan for the Pilsen Tax Increment Financing Redevelopment Project Area***

As evidenced in *Section VI*, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

Trkla, Pettigrew, Allen, & Payne Inc. has prepared this Redevelopment Plan and the related eligibility study with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Redevelopment Plan, and (ii) the fact that Trkla, Pettigrew, Allen & Payne, Inc. has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

This Pilsen Tax Increment Financing Redevelopment Plan and Project (the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned basis to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards; and
2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight and conservation are eliminated; and
3. Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

Redevelopment of the Project Area will constitute a large and complex endeavor, and presents challenges and opportunities commensurate with its scale. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area will become a stable environment that will again attract private investment. Public investment will set the stage for area-wide redevelopment by the private sector. Through this Redevelopment Plan, the City will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the City's above-stated goal. During implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and activities; and (ii) enter into redevelopment agreements with private entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

This Redevelopment Plan specifically describes the Project Area and summarizes the conservation area factors which qualify a portion of the Project Area as a "conservation area" and the blight factors which qualify a portion of the Project Area as a "blighted area" as defined in the Act.

Successful implementation of this Redevelopment Plan requires that the City utilize Incremental Property Taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the existing and threatened blight and conservation area conditions which have precluded development of the Project Area by the private sector.

The use of Incremental Property Taxes will permit the City to direct, implement and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. These anticipated benefits include:

- An increased property tax base arising from new industrial development and the rehabilitation of existing buildings.
- An increased sales tax base resulting from new and existing commercial, retail and industrial development.
- An increase in construction, industrial, and other full-time employment opportunities for existing and future residents of the City.
- The construction of an improved system of roadways, utilities and other infrastructure which better serves existing industries and adequately accommodates desired new development.

## II. LEGAL DESCRIPTION AND PROJECT BOUNDARY

The boundaries of the Project Area have been drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Redevelopment Plan. The boundaries of the Project Area are shown in Figure 1, *Project Boundary*, and are generally described below:

The Project Area is generally bounded by Cullerton Avenue (between Ashland Avenue and Morgan Street) and 16th Street (between Morgan Street and Stewart Avenue) on the north, Stewart Avenue and the Chicago River on the east, the Stevenson Expressway and 33rd Street on the south, and Western Avenue on the west.

The boundaries of the Project Area are legally described in Exhibit I at the end of this report.

### III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report which presents the definition, application and extent of the conservation and blight factors in the Project Area. The report, prepared by TPAP and entitled "Pilsen Project Area Tax Increment Financing Eligibility Study," is attached as Exhibit V to this Redevelopment Plan.

#### *A. Industrial District*

Based upon surveys, inspections and analyses of the Project Area, the industrial district qualifies as a "blighted area" within the requirements of the Act. The industrial district area is characterized by the presence of a combination of five or more of the blight factors listed in the Act for improved areas, rendering the district detrimental to the public safety, health and welfare of the citizens of the City. Specifically,

- Of the 14 factors for improved, blighted areas set forth in the Act, nine are found to be present to a major extent and one is found to be present to a limited extent in the industrial district.
- These 10 factors are reasonably distributed throughout the industrial district.
- The entire industrial district is impacted by and shows the presence of these 10 factors.
- The industrial district includes only real property and improvements substantially benefited by the Redevelopment Program and potential Redevelopment Projects.

#### *B. Commercial District*

Based upon surveys, inspections and analyses of the Project Area, the commercial district qualifies as a "conservation area" within the requirements of the Act. Ninety-one percent or more of the buildings in the commercial district have an age of 35 years or more, and the commercial district is characterized by the presence of a combination of three or more of the conservation factors listed in the Act, rendering the district detrimental to the public safety, health and welfare of the citizens of the City. The commercial district is not yet a blighted area, but it may become a blighted area. Specifically,

- Of the 167 buildings in the commercial district, 152 (91 percent) are 35 years of age or older.

- Of the remaining 14 factors set forth in the Act for conservation areas, six are found to be present to a major extent and three are found to be present to a limited extent in the commercial district.
- These nine factors are reasonably distributed throughout the commercial district.
- The entire commercial district is impacted by and shows the presence of these nine factors.
- The commercial district of the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

### *C. Surveys and Analyses Conducted*

The conservation and blight factors found to be present in the Project Area are based upon surveys and analyses conducted by TPAP. The surveys and analyses conducted for the Project Area include:

1. Exterior survey of the condition and use of each building;
  2. Site surveys of streets, alleys, sidewalks, curbs and gutters, lighting, 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 map;
  5. Analysis of original and current platting and building size and layout;
  6. Analysis of vacant sites and vacant buildings;
  7. Analysis of building floor area and site coverage;
  8. Analysis of building permits issued for the Project Area from 1/4/93 to 2/20/98;
  9. Analysis of building code violations for the Project Area from 1/1/94 to 6/20/97; and
  10. Review of previously prepared plans, studies and data.
-

#### IV. REDEVELOPMENT GOALS AND OBJECTIVES

Comprehensive and coordinated area-wide investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, and additional employment opportunities.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. Section V presents more specific objectives for development and design within the Project Area and the redevelopment activities the City plans to undertake to achieve the goals and objectives presented in this section.

##### *A. General Goals*

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

1. An improved quality of life in the Project Area and the surrounding community.
2. Elimination of the influences and manifestations of physical and economic deterioration and obsolescence within the Project Area.
3. An environment which will contribute more positively to the health, safety and general welfare of the Project Area and the surrounding community.
4. An environment which will preserve or enhance the value of properties within and adjacent to the Project Area.
5. An increased real estate and sales tax base for the City and other taxing districts having jurisdiction over the Project Area.
6. The retention and enhancement of sound and viable existing businesses and industries within the Project Area.
7. The attraction of new industrial and business development and the creation of new job opportunities within the Project Area.
8. Employ residents within the Project Area and within the Pilsen and adjacent communities in jobs in the Redevelopment Project Area and in adjacent redevelopment project areas. When appropriate, developers and businesses should avail themselves to local community groups and training institutions to identify, pre-screen and provide pre-employment training to local residents.

***B. Redevelopment Objectives***

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

1. Reduce or eliminate those conditions which qualify the Project Area as a blighted and conservation area. These conditions are described in detail in Exhibit V to this Redevelopment Plan.
2. Strengthen the economic well-being of the Project Area by increasing taxable values.
3. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
4. Create an environment which stimulates private investment in the upgrading and expansion of existing industries and the construction of new businesses and industrial facilities.
5. Encourage visually attractive buildings, rights-of-way and open spaces and encourage high standards of design, including river edge amenities where appropriate.
6. Provide needed improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
7. Provide needed incentives to encourage a broad range of improvements in business retention, rehabilitation and new development.
8. Establish job readiness and job training programs to provide residents within the Project Area and within the surrounding Pilsen and adjacent communities with the skills necessary to secure jobs in the Project Area and in adjacent redevelopment project areas.
9. Secure commitments from employers in the Project Area and adjacent redevelopment project areas to interview graduates of the Project Area's job readiness and job training programs.
10. Create new job opportunities for City residents utilizing first source hiring programs and appropriate job training programs.
11. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

## V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities on behalf of the City in furtherance of this Redevelopment Plan. Several existing plans which include, *The Model Industrial Corridor Initiative: Pilsen Industrial Corridor Final Plan 1995*, *The Corridors of Industrial Opportunity Plan 1992*, *Cityspace. An Open Space Plan for Chicago*, and *The City of Chicago Capital Improvement Program 1997-2001*, have been reviewed and form the basis for many of the recommendations presented in this Redevelopment Plan. The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the overall redevelopment concept, b) the land use plan, c) improvement and development recommendations for planning subareas, d) development and design objectives, e) a description of redevelopment improvements and activities, f) estimated redevelopment project costs, g) a description of sources of funds to pay estimated redevelopment project costs, h) a description of obligations that may be issued, and i) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

### A. Overall Redevelopment Concept

The Project Area should be redeveloped as a cohesive and distinctive industrial, business and employment district. It should consist of industrial and business areas offering a range of site development opportunities; commercial areas that serve and support surrounding neighborhoods and employment centers; and a range of public facilities, open spaces and pedestrian amenities. The river's edge should be improved and enhanced as an open space amenity and pedestrian/bicycle corridor.

The major portion of the Project Area should be redeveloped as a planned industrial district. Within the industrial district, viable existing industries should be retained and enhanced, and large-scale new industrial development should be undertaken.

The Ashland Avenue, Blue Island Avenue and Oakley Avenue commercial district should be upgraded and enhanced as retail and service areas that serve and support surrounding neighborhoods and employment areas.

The entire Project Area should be marked by improvements in safety and infrastructure, retention and expansion of jobs and industries, new industrial and business development, and enhancement of the area's overall image and appearance. Improvement projects should include: the rehabilitation and reuse of existing industrial and commercial buildings, new industrial and commercial construction, street and infrastructure improvements, landscaping and other appear-

ance enhancements, and the provision of new amenities which companies expect to find in a contemporary industrial park environment.

The Project Area should have good accessibility and should be served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Project Area.

The Project Area should be characterized by a planned network of open spaces and public amenities which will organize and provide focus to the Project Area. An open space network should be created which links major employment centers, commercial corridors, open spaces, landscaped streets and surrounding amenities.

The Project Area should have a coherent overall design and character. Individual developments should be visually distinctive and compatible. To the extent possible, the Project Area should respect Chicago's traditional neighborhood form which is characterized by a grid pattern of streets, with buildings facing the street.

The Project Area should become one of the City's premier employment centers that will complement and enhance surrounding community areas.

### ***B. Land Use Plan***

Figure 2 presents the Land-Use Plan that will be in effect upon adoption of this Redevelopment Plan.

As indicated in Figure 2, the major portion of the Project Area will be redeveloped as a planned and cohesive industrial and employment district providing sites for a wide range of land uses, including manufacturing, distribution, assembly, warehousing and research and development uses.

The existing commercial corridors along Ashland Avenue, Blue Island Avenue and Oakley Avenue will be upgraded and enhanced as shopping and service areas that provide for the day-to-day needs for surrounding residents, employees and business patrons.

Existing public and institutional uses will be maintained, enhanced and upgraded as required. Throughout the Project Area, land uses will be arranged and located to minimize conflicts between different land use activities.

The Land Use Plan highlights numerous opportunities for industrial and commercial improvement, enhancement and new development within the Project Area. The Plan is focused on maintaining and enhancing sound and viable existing businesses, and promoting new business development at selected locations.

The Land Use Plan designates three general land use categories within the Project Area, as described below:

- The *Industrial District* encompasses the major portion of the Project Area and is the predominant land use. The industrial district is suitable for a wide mix of land uses, including manufacturing, assembly, distribution, warehousing, office, and research and development facilities. In addition, limited commercial development which serves and supports the industrial area will be permitted in selected locations. Within the industrial district, sound existing industries will be retained and enhanced, and large-scale, planned new industrial development will be promoted on vacant, severely deteriorated and underutilized properties.
- The *Commercial District* encompasses the northwest portion of the Project Area, and includes the Ashland Avenue, Blue Island Avenue and Oakley Avenue corridors. The commercial district is suitable for a mix of shoppers goods retail, convenience retail, personal and business services, financial institutions, professional offices, public and institutional uses, and off-street parking. Limited residential development will also be permitted in selected blocks, and residential units above the first floor will be encouraged. Within the commercial district, emphasis will be placed on improving and upgrading existing businesses and promoting compatible new commercial infill development.
- The *Public Use District* encompasses several existing public schools and parks located within the Project Area, including Benito Juarez High School, Perez Elementary School, De La Cruz School, Whittier Elementary School, and Dvorak Park. In general, these areas will be maintained and enhanced for public and institutional use. Existing residential uses will be allowed to remain, provided they are compatible with and do not adversely impact the public use facilities. Within this district, emphasis will be placed on improving and enhancing existing public facilities as focal points for the surrounding neighborhoods.

Recommended land use strategies for specific subareas are presented in the following section of this Redevelopment Plan.

### ***C. Planning Subareas***

The Project Area has been subdivided into ten (10) subareas, each of which would be suitable for a different mix of uses and intensity of development, and each of which warrants a different approach to improvement and redevelopment (See Figure 3).

It should be emphasized that the boundaries of these subareas and the specification of uses within the subareas are for guidance only, and are subject to refinement and modification as a part of the City's planned development process.

#### **1. Industrial Subareas**

The major portion of the Project Area will be reserved for industrial use. Key recommendations for individual industrial subareas are highlighted below. More specific development and design objectives for industrial subareas are presented in a following section of this Redevelopment Plan.

##### *Subarea A*

Subarea A encompasses the western portion of the Project Area, and is generally bounded by Blue Island Avenue on the north, Western Avenue on the west, the Stevenson Expressway on the south, and Ashland Avenue on the east. Major existing land uses include warehousing, distribution, trucking, and recycling yards. The area also includes auto - related parts and scrap yards, manufacturing and wholesale trade.

While Subarea A includes viable manufacturing, distribution and warehouse uses, it also includes several relatively large vacant and underutilized land parcels, particularly west of Wood Street extended. The largest of these is the 55 acre former Sears Distribution Warehouse site, located just south of the South Branch of the Chicago River, west of Ashland.

Subarea A should be the location for large-scale planned industrial development incorporating sound existing industries and significant new construction. Subarea A has a number of advantages for industrial development. It has good regional accessibility, and access to the rail and waterway systems. However, there are few interior streets, and portions of this subarea are essentially land-locked. Substantial infrastructure improvements will be required.

Subarea A should be designed to maximize flexibility for new industrial park development, and provide expansion opportunities for the firms presently located in the area. Design of this subarea should establish a strong and positive new visual identity for the industrial district.

#### *Subarea B*

Subarea B encompasses the central portion of the Project Area, and is generally bounded by Cermak Road on the north, Ashland Avenue on the west, the south Branch of the Chicago River on the south, and the Dan Ryan Expressway on the east.

Major existing uses include the Commonwealth Edison Power Plant, the Loop Recycling Plant, Sexton Disposal, the City Department of Streets and Sanitation facility, building material supply yards, printing, warehousing, and trucking firms. Subarea B is also the site of several "heavy commercial" uses such as Seigel's Lumber and Warshawski Auto Supply.

Subarea B is an older, established industrial area. While it is essentially built up, it does include several relatively large vacant industrial buildings and land parcels, particularly in the western portion of the subarea. Some of the older vacant industrial buildings have historic interest, and appear to have reuse potential.

Subarea B should be the location for large-scale new industrial development, including the reuse of vacant buildings and redevelopment of marginal and severely deteriorated properties. Subarea B has good regional accessibility and visibility, as well as access to the rail and waterway systems. However, there are few interior streets, several land parcels are essentially land-locked, and infrastructure improvements will be required.

The enhancement of the river corridor in this area should be encouraged. Possible amenities should include a bicycle/pedestrian path that will continue along the river and be linked to other open space networks.

#### *Subarea C*

Subarea C encompasses the southwest portion of the Project Area, generally south of the Stevenson Expressway and west of Archer Avenue. Subarea C is a relatively small industrial enclave, and is isolated from the other industrial subareas. Major existing uses include auto and truck parts and repair services, trucking firms, and Pallet Supply Company.

While Subarea C is essentially developed, it does include several vacant and marginal properties that should be redeveloped for small-scale new industrial or business use.

Subarea C is closely bordered by residential uses to the south. Improvement and development of this subarea should include landscaping and/or attractive fencing to screen the industrial area from residential uses. The residential area should also be protected from industrial area traffic, parking and other adverse impacts.

#### *Subarea D*

Subarea D encompasses the southeast portion of the Project Area, and is generally bounded by the South Branch of the Chicago River on the north and west, Archer Avenue on the south, and Stewart Avenue on the east. Major existing uses include Brandenburg Construction, Holsum Bread, Triple A Vending, Sterling Disposal, Allied and Sloan Metal.

While Subarea D is essentially developed, it does include several smaller vacant and marginal properties that should be redeveloped for small-scale new industrial or business use. Because of the presence of the river, the expressway and the rail corridors, many of the sites within this subarea have limited size and a challenging configuration.

A portion of Subarea D is closely bordered by a small residential enclave south of Eleanor Street. Improvement and development of this subarea should include landscaping and/or attractive fencing to screen the industrial area from residential uses. The residential area should also be protected from industrial area traffic, parking and other adverse impacts.

The enhancement of the river corridor in this area should be encouraged. Possible amenities should include a bicycle/pedestrian path that will continue along the river and be linked to other open space networks.

#### *Subarea E*

Subarea E encompasses the southeast corner of the Project Area, and is generally bounded by 27<sup>th</sup> Street on the north, Popular Avenue on the west, 29<sup>th</sup> Street on the south and Halsted Street on the east. Subarea E includes several commercial service and light industrial uses along the Archer Avenue frontage, including Sherwin Williams Paint. However, the dominant feature within this subarea is the former stone quarry, which is in the process of being filled.

Existing business uses should be improved and upgraded, and vacant and marginal properties should be redeveloped for small-scale new business and industrial use. When the ongoing filling operation is complete, the quarry property should be redeveloped. If environmental conditions permit, the site should be considered for compatible light industrial de-

velopment. If environmental conditions do not permit building development, the site should be improved for public park and open space use.

Because of the close proximity to residential uses, this subarea should be limited to light industry and similar uses. Improvement and development should include landscaping and/or attractive fencing to screen the industrial area from residential uses. The residential area should also be protected from industrial area traffic, parking and other adverse impacts.

#### *Subarea F*

Subarea F encompasses the northeast corner of the Project Area, and is generally bounded by 16<sup>th</sup> Street on the north, the Dan Ryan Expressway on the west, the south Branch of the Chicago River on the south, and Stewart Avenue on the east. Major existing land uses include Ozinga Ready Mix, building supply, contracting, metal recycling, boat storage, warehousing, vending, paper distribution, and wholesale trade. The area also contains several blocks with incompatible residential uses.

Subarea F is an older, waterfront-oriented industrial area with numerous warehouse and storage facilities. This subarea also has several businesses that serve and support the nearby Chinatown community.

While Subarea F has a number of sound and viable businesses, it also includes several vacant industrial buildings, marginal uses and vacant land parcels, particularly in the blocks between Canal Street and Stewart Avenue. These properties should be redeveloped for industrial and business use. Several of the older industrial buildings, including the former Schoonhoven Brewery building, have historic interest and reuse potential.

The enhancement of the river corridor in this area should be encouraged. Possible amenities should include a bicycle/pedestrian path that will continue along the river and be linked to other open space networks.

#### *Subarea G*

Subarea G encompasses the industrial properties north of Cermak Road, between the Dan Ryan Expressway and Morgan Street. Subarea G includes a diverse mix of industrial, commercial and residential land uses, together with vacant buildings and land parcels. In general, it is characterized by marginal uses, deterioration and land use conflicts.

While viable existing industries could be retained, Subarea G should undergo area-wide redevelopment for small-scale new industrial and business uses. Because of the close prox-

imity to residential uses, this subarea should be limited to light industry and similar uses. Improvement and development should include landscaping and/or attractive fencing to screen the industrial area from residential uses. The residential area should also be protected from industrial area traffic, parking and other adverse impacts.

#### *Subarea H*

Subarea H encompasses the industrial properties north of Cermak Road, between Morgan Street and Ashland Avenue. Major existing uses include Kramer Industries, the Coca Cola Bottling Plant, auto-related services, Dvorak Park, Benito Juarez High School and Perez Public School.

Subarea H is essentially built up, although it does include several vacant buildings and marginal uses that can be redeveloped for industrial use or for the expansion of the existing high school. Because of the close proximity to residential uses, this subarea should be limited to light industry and similar uses. Improvement and development should include landscaping and/or attractive fencing to screen the industrial area from residential uses. The adjacent residential area should also be protected from industrial area traffic, parking and other adverse impacts.

The public schools and park site located in Subarea H should be maintained and enhanced as essential community facilities which serve surrounding neighborhoods. Building and site improvements should be undertaken as required. Small scale expansion should be considered if needed. Public use sites should be protected from industrial area traffic, parking and other adverse impacts.

## **2. Commercial Subareas**

The Ashland Avenue, Blue Island Avenue, and Oakley Avenue corridors should be improved and enhanced for commercial and business use. Key recommendations for commercial subareas are highlighted below. More specific development and design objectives for the commercial subareas are presented in a following section of this Redevelopment Plan.

*Subarea I*

Subarea I encompasses the Ashland Avenue corridor, from Cermak Road to 21st Street, and Blue Island Avenue, from 21st Street to Cullerton Avenue. Subarea I includes a mix of retail, service, public, institutional, light industrial and residential uses. It is characterized by attractive older multi-story masonry buildings, many of which may have historic interest.

Subarea I should be upgraded and enhanced as a mixed-use corridor providing sites for a range of commercial, business and residential uses. Commercial uses should be oriented to motorists which travel Ashland Avenue and Blue Island Avenue, and to the needs of nearby residential neighborhoods and employment centers.

*Subarea J*

Subarea L encompasses the north side of Blue Island Avenue, from Ashland Avenue to Western Avenue. In addition, this subarea also generally includes the Oakley Avenue frontage, from Blue Island Avenue to 23rd Place and the Wolcott Avenue frontage, from Blue Island Avenue to 23rd Street.

Subarea L includes a diverse mix of commercial service, light industrial, residential uses, a Chicago Police Station, De La Cruz Public School, and Whittier Elementary School. In contrast to the other commercial subareas, Subarea L is characterized by marginal uses, deterioration and land use conflicts, particularly within the blocks along Blue Island Avenue.

While viable existing uses should be retained and upgraded, substantial portions of the Blue Island frontage should undergo redevelopment for small-scale commercial service and compatible light industry. Residential uses that face other residential uses in this area should be permitted and maintained. However, new residential construction should be discouraged along Blue Island Avenue.

The public schools located in Subarea L should be maintained and enhanced. Building and site improvements should be undertaken as required. Small scale expansion should be considered if needed.

---

#### ***D. Development And Design Objectives***

Listed below are the specific Development and Design Objectives which will assist the City in directing and coordinating public and private improvement and investment within the industrial and commercial districts of the Project Area in order to achieve the general goals and objectives identified in *Section IV* of this Redevelopment Plan.

The Development and Design Objectives are intended to help attract desirable new business and commercial development, foster a consistent and coordinated development pattern, and create an attractive and quality image and identity for the Project Area.

##### ***1. Industrial Areas***

The following Development and Design Objectives apply to the overall industrial district and to the various industrial subareas of the Project Area.

###### **a) Land Use**

- Promote comprehensive, area-wide redevelopment of the southern portion of the Project Area as a planned and cohesive industrial, business and employment district.
- Provide sites for a wide range of land uses, including manufacturing, distribution, warehousing and research and development facilities.
- Promote business retention and new employment development throughout the industrial district.
- Promote limited retail and commercial uses in selected locations which support the needs of the industrial district's employees and business patrons.
- Protect subareas designated for industrial and employment use from competing and conflicting land uses.

###### **b) Building and Site Development**

- Where feasible, repair and rehabilitate existing industrial buildings in poor condition.
- Where rehabilitation is not feasible, demolish deteriorated existing buildings to allow for new industrial development.
- Reuse vacant industrial buildings in serviceable condition for new business or industrial uses.
- Ensure that the design of new industrial buildings is compatible with the surrounding building context.

- Preserve buildings with historic and architectural value where appropriate.
- Promote the use of architectural treatments or landscaping to add visual interest to large industrial buildings facing major streets.
- Locate building service and loading areas away from front entrances and major streets where possible.
- Encourage parking, service and support facilities which can be shared by multiple industries.
- Encourage decorative metal fencing around the perimeter of industrial sites to provide street level identity and enhance public safety. Discourage the use of chain link fencing, except in areas that are not visible to the public.

**c) Transportation and Infrastructure**

- Ensure safe and convenient access to the industrial subareas for trucks, autos and public transportation.
- Alleviate traffic congestion along arterial routes.
- Improve the street surface conditions, street lighting, viaduct conditions and traffic signalization.
- Consider the use of traffic calming devices such as cul-de-sacs, limited access and street closures in areas where industrial activity is in close proximity to residential areas.
- Consider closing selected street segments in order to create larger building sites and enhance opportunities for new development.
- Promote "transit-friendly" developments that incorporate transit facilities into their design.
- Provide well-defined, safe pedestrian connections between developments within the industrial district, and between industrial subareas and nearby destinations.
- Promote the development of river edge amenities to provide a continuous pedestrian and bicycle corridor along the river.
- Upgrade public utilities and infrastructure as required.

**d) Urban Design**

- Establish a comprehensive streetscape system which can guide the design and location of light fixtures, sidewalks, paving materials, landscaping, street furniture and signage.

- Promote high quality and harmonious architectural and landscape design within the industrial district.
- Enhance the appearance of industrial areas by landscaping the major street corridors.
- Provide distinctive design features, including landscaping and signage, at the major entryways into the industrial district.
- Install streetpole banners throughout the industrial district to signal revitalization and reinvestment.
- Develop a distinctive new name and logo for the Project Area; use these extensively to increase public awareness and establish a new identity for the Project Area.
- Clean-up and maintain vacant land, particularly in highly visible locations; where possible, use vacant lots for open space, community gardens or off-street parking.
- Eliminate illegal dumping, abandoned vehicles and graffiti.
- Promote the development of "public art" at selected locations.
- Prohibit billboards and other outdoor advertising.

**e) Landscaping and Open Space**

- Provide landscaped transitional areas to secure the periphery of the industrial district and reduce the adverse impact of industrial activities on adjacent residential neighborhoods.
- Encourage landscaped open spaces in front setbacks, particularly along arterial and industrial collector streets.
- Screen active rail tracks with berming and landscaping.
- Promote the use of landscaping to screen dumpsters, waste collection areas, and the perimeter of parking lots and other vehicular use areas.
- Use landscaping and attractive fencing to screen loading and service areas from public view.
- Promote a continuous landscaped open space area along the river corridor.
- Promote the development of shared open spaces within industrial subareas, including courtyards, eating areas, recreational areas, etc.

- Ensure that all open spaces are designed, landscaped and lighted to achieve a high level of security.
- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance.

## 2. *Commercial Areas*

The following Development and Design Objectives apply to the various commercial subareas of the Project Area.

### a) **Land Use**

- Promote improvement and enhancement of the Ashland Avenue, Blue Island Avenue and Oakley Avenue corridors as retail and service areas that serve and support nearby residential and employment areas.
- Provide sites for a wide range of retail, commercial service, public and institutional uses.
- Retain sound existing businesses and promote compatible new commercial development in selected locations.
- Encourage the clustering of similar and supporting commercial uses to promote cumulative attraction and multi-stop shopping.
- Promote convenience retail and service uses that can provide for the day-to-day needs of nearby residents, employees and business patrons.
- Establish a visual and functional identity for the commercial subareas which reflects the culture and ethnic heritage of adjoining neighborhoods.
- Promote new activities and events along the corridors which will enhance overall neighborhood identity and encourage people to frequent the commercial areas.

### b) **Building Development**

- Reinforce Chicago's traditional commercial development pattern which consists of two- and three-story masonry buildings located at or near the sidewalk line, with front doors facing the street.
- Repair and rehabilitate existing commercial buildings in poor condition.
- Reuse vacant buildings for new commercial uses.

- Maintain and preserve older commercial buildings with architectural or historic interest.
- Improve the design and appearance of commercial storefronts.
- Ensure that the design of new buildings is compatible with the surrounding building context.
- Improve the overall level of "housekeeping" within the commercial subareas.
- Improve commercial area signage.
- Establish commercial area design guidelines that will help visually unify the commercial subareas; guidelines should address façade treatment, color, materials, awnings and canopies, and commercial signage.

**c) Access and Circulation**

- Ensure safe and convenient access to the commercial subareas for autos, public transportation and pedestrians.
- Monitor traffic conditions within the commercial subareas; undertake traffic operational and signalization improvements where necessary.
- Consider closing selected side street segments in order to create larger building sites and enhance opportunities for new commercial development.
- Consider the use of traffic calming devices such as cul-de-sacs, limited access and street closures to protect adjoining residential neighborhoods.
- Provide well-defined and safe pedestrian connections between the commercial subareas and the surrounding neighborhoods and employment centers.

**d) Parking**

- Ensure that all commercial subareas are served by an adequate supply of conveniently located parking.
- Minimize parking "spillover" in adjacent neighborhoods.
- Maintain curb parking within each commercial subarea.
- Consider new public parking lots in selected locations.

- Consider closing selected side streets to create new parking areas.
  - Utilize alleys and the rear portions of commercial properties for parking.
  - Promote cooperative arrangements between businesses which would permit existing parking lots to be used by neighboring businesses during off-peak periods.
  - Ensure that parking lots are attractively designed and adequately maintained.
  - Consolidate and redesign small separate parking lots located within the same block.
- e) **Public Rights-of-Way**
- Improve the condition of street surfaces, curbs and gutters within the commercial subareas.
  - Improve the condition of sidewalk surfaces; consider special surface treatments in pedestrian shopping areas.
  - Provide safe and convenient pedestrian crosswalks.
  - Provide new street furniture where space permits, including benches, planters, kiosks and trash receptacles.
  - Provide new pedestrian-scale lighting in areas with intense pedestrian activity.
  - Provide new street trees and accent lighting where space permits.
  - Create new "gateway" areas, including landscaping and signage, at the major entry points to the commercial subareas.
  - Install streetpole banners within the commercial areas to signal revitalization and reinvestment.
  - Promote the development of "public art" at selected locations.
  - Establish a comprehensive streetscape system which can guide the design and location of light fixtures, sidewalks, paving materials, landscaping, street furniture and signage throughout the commercial subareas.

### ***E. Redevelopment Improvements and Activities***

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements with public or private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Redevelopment Plan and which include affordable housing requirements as described in Exhibit II, *Estimated Redevelopment Project Costs*.

#### **1. Property Assembly**

To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease or eminent domain and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties.

Figure 4, *Land Acquisition Overview Map*, indicates the parcels currently proposed to be acquired for clearance and redevelopment in the Project Area. Exhibit IV contains Figures 4A-L: *Land Acquisition by Block & Parcel Identification Number* which portrays the acquisition properties in more detail.

In connection with the City exercising its power to acquire real property not currently identified on the following Acquisition Map, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City.

As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and redevelopment. The City may demolish improvements, remove and grade soils and prepare sites with soils and materials suitable for new construction. Clearance and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized.

The City may (a) acquire any historic structure (whether a designated City or State landmark or on, or eligible for, nomination to the National Register of Historic Places); (b) demolish any non-historic feature of such structure; and (c) incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

**2. Relocation**

In the event that active businesses or other occupants are displaced by the public acquisition of property, they may be relocated and may be provided with financial assistance and advisory services. Relocation services in conjunction with property acquisition will be provided in accordance with City policy.

**3. Provision of Public Works or Improvements**

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

*a) Streets and Utilities*

A range of individual roadway, utility and related improvement projects, from repair and resurfacing to major construction or reconstruction, may be undertaken.

*b) Parks and Open Space*

Improvements to existing or future parks, river walkways, open spaces and public plazas may be provided, including the construction of pedestrian walkways, stairways, lighting, landscaping and general beautification improvements may be provided for the use of the general public.

c) *River Improvements*

The retaining walls along the Chicago River are very old and may be in need of repair. Select canal slips may need to be filled to assemble larger land parcels.

4. **Rehabilitation of Existing Buildings**

The City will encourage the rehabilitation of buildings that are basically sound and/or historically significant, and are located so as not to impede the Redevelopment Project.

5. **Job Training and Related Educational Programs**

Separate or combined programs designed to increase the skills of the labor force to meet employers' hiring needs and to take advantage of the employment opportunities within the Project Area may be implemented.

6. **Taxing Districts Capital Costs**

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

7. **Interest Subsidies**

Funds may be provided to redevelopers for a portion of 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 the Act; and
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with respect 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, 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 paid pursuant to the Act may not exceed 30 percent of the total (i) costs paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

8. **Analysis, Administration, Studies, Surveys, Legal, etc.**

The City may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

***F. Redevelopment Project Costs***

The various redevelopment expenditures which are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs which are deemed to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs").

1. **Eligible Redevelopment Project Costs**

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Redevelopment Plan pursuant to the 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 that no charges for professional services are 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 buildings, and the clearing and grading of land;
- 3) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
- 4) Costs of the construction of public works or improvements;
- 5) Costs of job training and retraining projects;
- 6) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may 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 a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- 7) All or a portion of a taxing district's capital costs resulting from a 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;
- 8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
  - 9) Payment in lieu of taxes as defined in the Act;
  - 10) 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 education 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 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code;
  - 11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
    1. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
    2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
    3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
    4. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project plus (ii) redevelopment project costs ex-

cluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.

- 12) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

If a special service area has been established pursuant to the Special Service Area Tax Act, [35 ILCS 235/0.01 *et. seq.*] then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

## 2. Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit II of this Redevelopment Plan. All estimates are based on 1998 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Plan.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

It is City policy to require that developers who receive TIF assistance for market rate housing set aside 20 percent of the units or commit to an alternative affordable housing option pursuant to Department of Housing Guidelines to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 120 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the area median income.

## G. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the municipality may deem appropriate. The municipality may incur redevelopment project costs which are paid for from funds of the municipality other than incremental taxes, and the municipality may then be reimbursed from such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City

may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area is contiguous to the River South Tax Increment Financing Redevelopment Project Area and may, in the future, be contiguous to other redevelopment project areas. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, and vice versa. The amount of revenue from the Project Area made available to support such contiguous redevelopment project areas, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right of way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right of way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible or other areas as described in the preceding paragraph, shall not at any time exceed the total redevelopment project costs described in Table 1 of this Redevelopment Plan.

#### *H. Issuance of Obligations*

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within 23 years from the adoption of the ordinance approving the Project Area and the Redevelopment Plan, such ultimate retirement date occurring in the year 2020. Also, the final maturity date of any such obligations which are issued may not be later than 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. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

### ***I. Valuation of the Project Area***

#### **1. Most Recent EAV of Properties in the Project Area**

The most recent 1996 EAV of all taxable parcels in the Project Area is estimated to be \$114,441.698. This EAV is based on 1996 EAV and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes in the Project Area will be calculated by the County.

#### **2. Anticipated Equalized Assessed Valuation**

By the tax year 2020 (collection year 2021) and following the construction of roadway and utility improvements, viaduct closures, installation of additional and upgraded lighting, improved signage and landscaping, etc. and substantial completion of potential Redevelopment Projects, the EAV of the Project Area is estimated to total between \$204,000,000 and \$231,000,000. Both estimates are based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) 2% inflation in EAV in the commercial district between years 1998-2020. 3) no inflation in EAV during the build-out period in the industrial district; 4) between 3,200,000 and 3,700,000 square feet of industrial space will be constructed in the Project Area and occupied by 2020; and 4) the five year average state equalization factor of 2.1240 (tax years 1992 through 1996) is used in all years to calculate estimated EAV.

## **VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE**

As described in *Section III* of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous conservation and blight factors, and these factors are reasonably distributed throughout the Project Area. Conservation and blight factors within the Project Area are widespread and represent major impediments to sound growth and development.

The decline of and the lack of private investment in the Project Area are evidenced by the following:

#### **Physical Condition of the Project Area**

- The Commercial District is characterized by age (91% of the buildings being 35 years or older), deterioration, structures below minimum code specifications, an overall depreciation of physical maintenance, and lack of community planning.
- The Industrial District is characterized by age (82% of the buildings being 35 years or older), deterioration, structures below minimum code specifications, excessive vacancies, an overall depreciation of maintenance, and lack of community planning.
- In a three and half year period between 1/1/94 and 6/20/97 the City of Chicago's Building Department issued 227 building code violations to 224 different buildings within the Project Area. This is 44% of the total buildings within the Project Area.
- A majority of the Project Area's infrastructure (i.e. streets, viaducts, bridges, and sidewalks) needs major repair or replacement.

#### **Lack of New Construction and Renovation by Private Enterprise**

- Between 1/4/93 to 2/20/98, 121 building permits were issued for new construction, additions, and alterations, which totaled approximately \$8,100,000. Over half of these permits were for smaller scale projects requiring less than \$25,000 worth of work, indicating no major developments or renovations in the area. Only 6% (\$488,500) of this work was for industrial type buildings and 5.4% (\$437,000) of the construction was for commercial/retail/office type buildings. About 52.5% (\$4,146,750) of the construction activity was for miscellaneous structures such as pumps, elevators, garages, and A/C units. Overall, the investment is very scattered having little to no impact on the area.
- There has been over 25 demolition permits issued within the last five years for the Project Area. This indicates a decline in business activity in the Project Area since these demolitions have not been replaced with new construction.

#### **Lack of Investment and Growth by Private Enterprise**

- Between 1990 and 1995 there was a 25% decrease in durable goods manufacturing jobs, a 9% decrease in non-durable goods manufacturing jobs, and a 11% decrease in wholesale trade jobs within the area covered by Zip code 60608, according to the Illinois Department of Employment Security. This area is bounded by Roosevelt Road on the north, Halsted Street on the east, 35th Street on the south, and California Avenue on the west. The entire Project Area west of Halsted Street is covered by the Zip code - 60608 and approximately 75% of the industrial district is within this zip code.

- The Chicago South industrial submarket has a significantly higher vacancy rate as compared to the Chicago North submarket and the metropolitan area. The vacancy rates are as follows: Chicago South submarket - 8.3%, Chicago North submarket - 5.6%, and the metropolitan area - 7.7%. (*Source: Goodman Williams Group/Cushman and Wakefield*).
- The industrial district is part of the Chicago South industrial submarket which has significantly lower rents than the Chicago North industrial submarket and the Metropolitan area. The dividing line between the North and South submarkets is Roosevelt Road (1200 south). The average weighted rental rate for manufacturing in the south submarket is \$2.53 per square foot, as compared to \$3.67/sq. ft. and \$3.55/sq. ft. in the north submarket and metropolitan area (*Source: Goodman Williams Group/Cushman and Wakefield*).
- Between 1991 and 1996, the assessed valuation (the "AV") of the Project Area decreased by .01 percent, while the AV of the City as a whole increased by 7.10% between 1991 and 1996.

## VII. FINANCIAL IMPACT

Without the adoption of the Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives, there is a prospect that conservation and blight factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

*Section V* of this Redevelopment Plan describes the comprehensive, area-wide Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as Redevelopment Projects set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment in rehabilitation of buildings and new construction on a scale sufficient to eliminate problem conditions and to return the area to a long-term sound condition.

The Redevelopment Project is expected to have significant short- and long-term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short-term, the City's effective use of TIF can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from the enhanced tax base which results from the increase in EAV caused by the Redevelopment Projects.

## VIII. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes against properties located within the Project Area:

Cook County. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways.

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District of Greater Chicago. This district provides the main trunk lines for the collection of waste water from cities, villages and towns, and for the treatment and disposal thereof.

Chicago Community College District 508. This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. Benito Juarez High School, Perez Elementary School, De La Cruz, and Whittier Elementary School are located within the boundaries of the Project Area. Not included in the Project Area but within three blocks of the Project Area boundary are the following schools: Ruiz Public School, Finkl Public School, Orozco Community Academy, Cooper Elementary School, Jungman Elementary School, and Walsh Public School. The location of the above mentioned schools are indicated in Figure 5, *TIF Boundary and Surrounding Public Facilities*.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. Dvorak Park is located within the Project Area. The above mentioned park is indicated in Figure 5, *TIF Boundary and Surrounding Public Facilities*.

Chicago School Finance Authority. The Authority was created in 1980 to exercise oversight and control over the financial affairs of the Board of Education.

City of Chicago. The City is responsible for the provision of a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; building, housing and zoning codes, etc.

In addition to the major taxing districts summarized above the City of Chicago Library Fund, the Chicago Urban Transportation District, and the Bridgeport Home Equity Assurance have taxing jurisdiction over part or all of the Project Area. The City of Chicago Library Fund and the Chicago Urban Transportation District (formerly a separate taxing district from the City) no longer extend taxing levies but continue to exist for the purpose of receiving delinquent taxes.

#### ***A. Impact of the Redevelopment Project***

The replacement of vacant and underutilized properties with industrial development may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District and the City. The estimated nature of these increased demands for services on these taxing districts are described below.

Metropolitan Water Reclamation District of Greater Chicago. The replacement of vacant and underutilized properties with industrial development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement of vacant and underutilized properties with industrial and business development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

#### ***B. Program to Address Increased Demand for Services or Capital Improvements***

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

- It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.

- It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City, police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City of Chicago. Therefore, no special programs are proposed for the City of Chicago.

It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, Chicago Community College District 508, Board of Education, Chicago Park District, and the Chicago School Finance Authority's services and programs associated with the Project Area can be adequately handled by services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services.

Exhibit II to this Redevelopment Plan illustrates the preliminary allocation of Redevelopment Project Costs.

## **IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY**

This Redevelopment Plan and the Redevelopment Project described herein include land uses which will be approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan.

## **X. PHASING AND SCHEDULING**

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of Redevelopment Projects is no later than the year 2020.

## XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

## XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to this Redevelopment Plan:

- A) The assurance of equal opportunity in all personnel and employment actions, 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.
- C) Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprises and Woman Business Enterprises and the City Resident Construction Worker Employment Requirements as required in Redevelopment Agreements.

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

[Figures 1 through 5 referred to in this Pilsen Tax Increment Financing Redevelopment Project and Plan printed on pages 70570 through 70574 of this Journal.]

[(Sub)Exhibit I referred to in this Pilsen Tax Increment Financing Redevelopment Project and Plan constitutes Exhibit "C" to the ordinance and is printed on pages 70676 through 70685 of this Journal.]

[(Sub)Exhibit IV referred to in this Pilsen Tax Increment Financing Redevelopment Project and Plan printed on page 70608 through 70620 of this Journal.]

(Sub)Exhibits II, III and V referred to in this Pilsen Tax Increment Financing Redevelopment Project and Plan read as follows:

*(Sub)Exhibit II.*  
 (To Pilsen Tax Increment Financing  
 Redevelopment Project And Plan)

*Estimated Redevelopment Project Costs.*

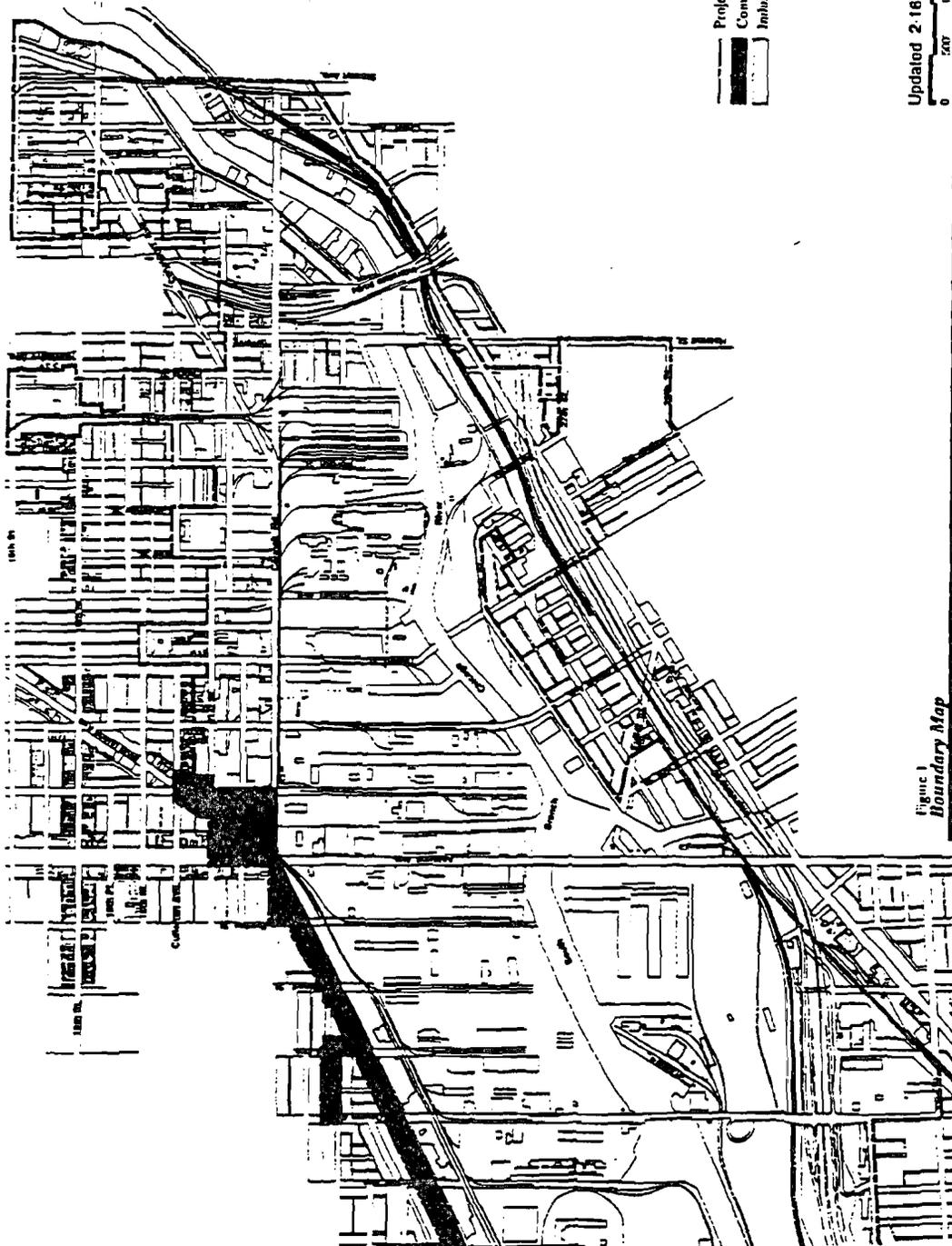
<b><u>ELIGIBLE EXPENSE</u></b>	<b><u>ESTIMATED COST</u></b>
<b>Analysis, Administration Studies, Surveys, Legal, Etc.</b>	\$ 3,000,000
<b>Property Assembly</b>	
- Acquisition	\$ 12,000,000
- Site Prep, Demolition and Environmental Remediation	\$ 17,000,000
<b>Rehabilitation of Existing Buildings</b>	\$ 12,000,000
<b>Public Works &amp; Improvements</b>	
- Streets and Utilities	\$ 42,000,000
- Parks and Open Space	\$ 10,000,000
<b>Relocation</b>	\$ 3,000,000
<b>Job Training</b>	\$ 10,000,000
<b>Developer/Interest Subsidy</b>	<u>\$ 6,000,000</u>
<b>TOTAL REDEVELOPMENT COSTS</b>	<b>\$115,000,000<sup>11)</sup></b>

---

<sup>11)</sup> Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous redevelopment project areas that are permitted under the Act to be paid from incremental property taxes.

Figure 1.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Boundary Map.



Project Area Boundary  
 Commercial District  
 Industrial District

Updated 2-18-98

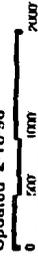


Figure 1  
Boundary Map

**Pilsen**

The Increment Financing Redevelopment Project Area

**Chicago, Illinois**

Prepared By: Tetra Tech, Urban, Army & Payne, Inc.

Figure 2.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Generalized Land-Use Plan.

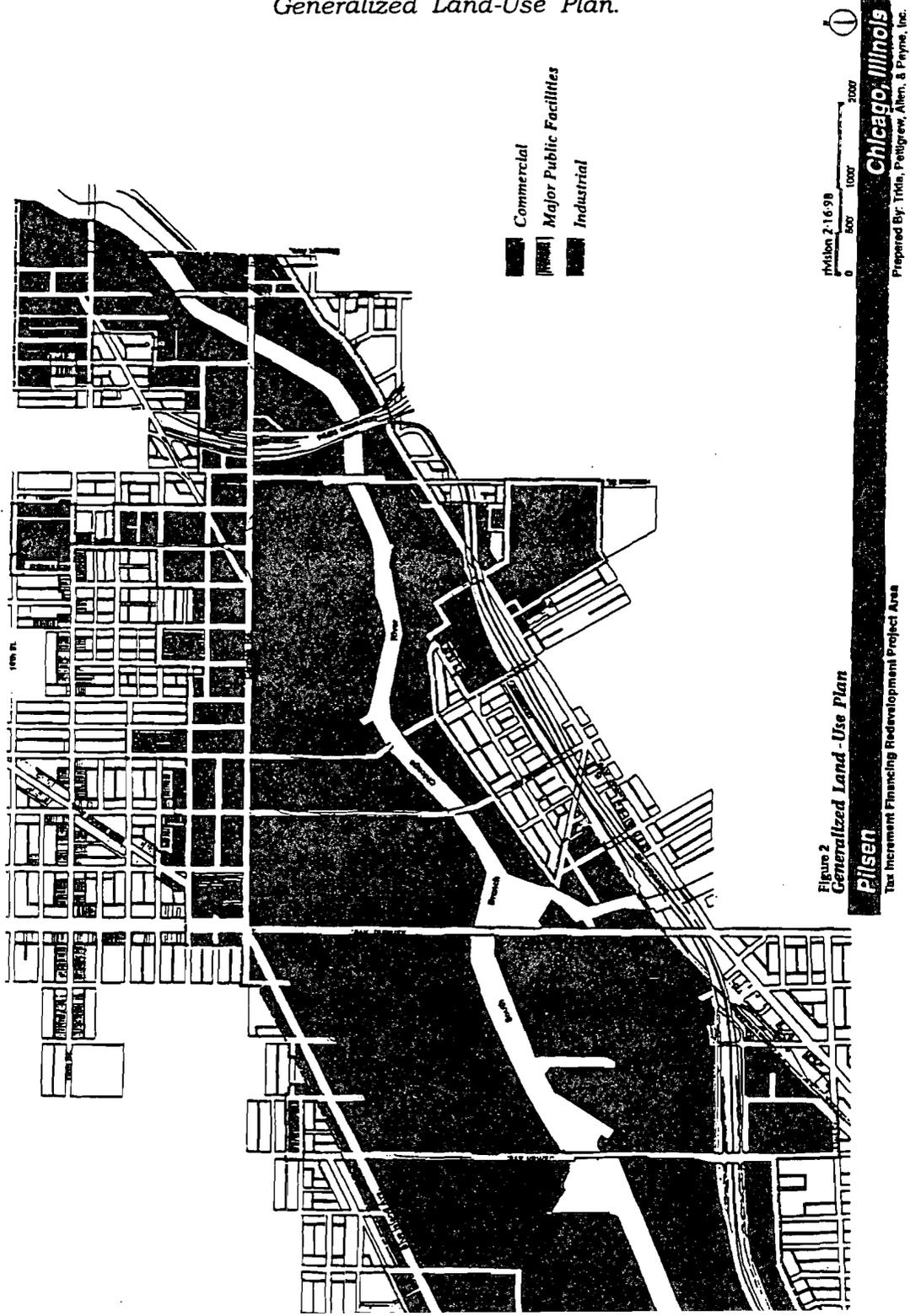


Figure 3.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Planning Subareas.

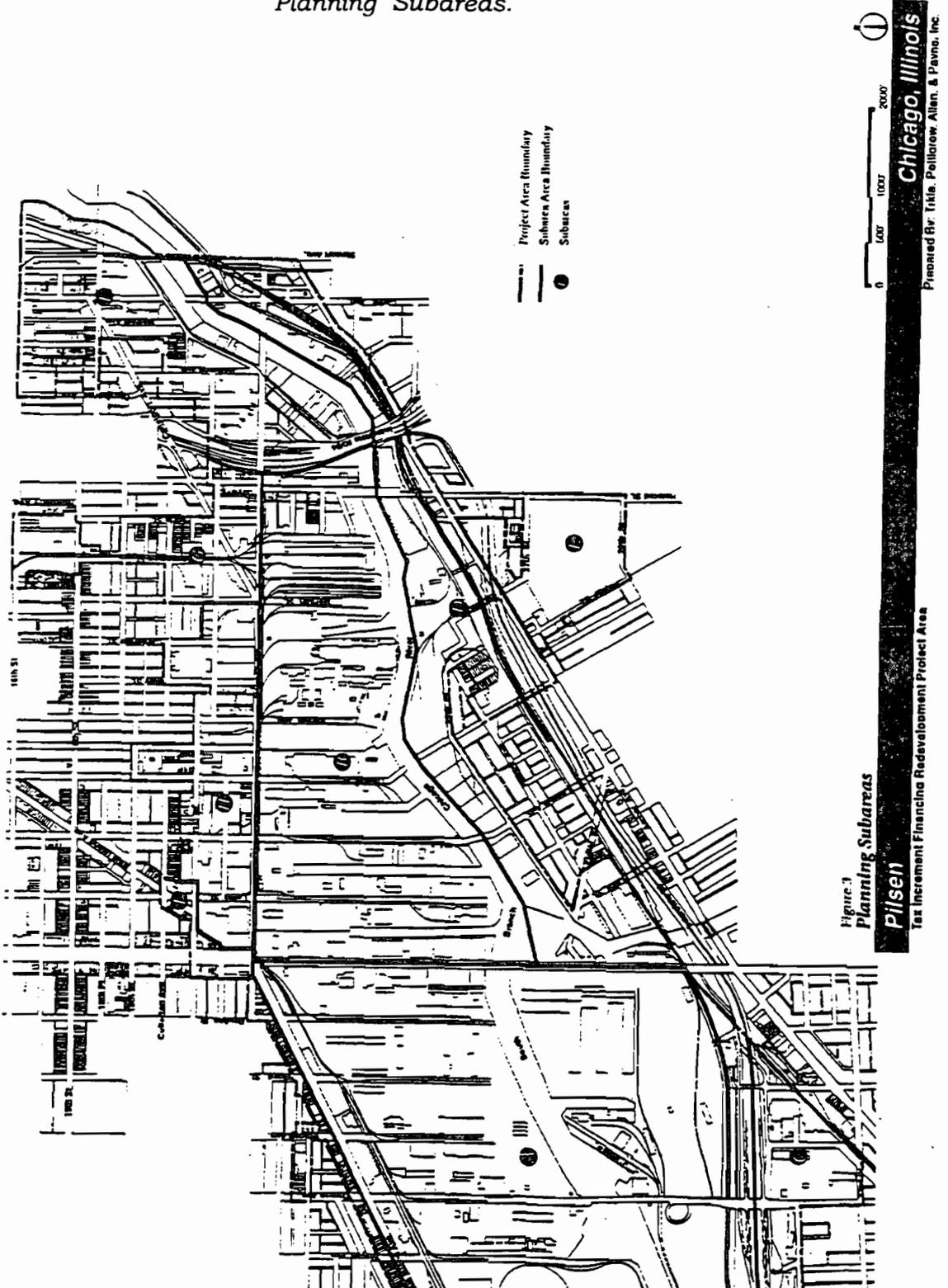


Figure 4.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

*Land Acquisition Overview.*

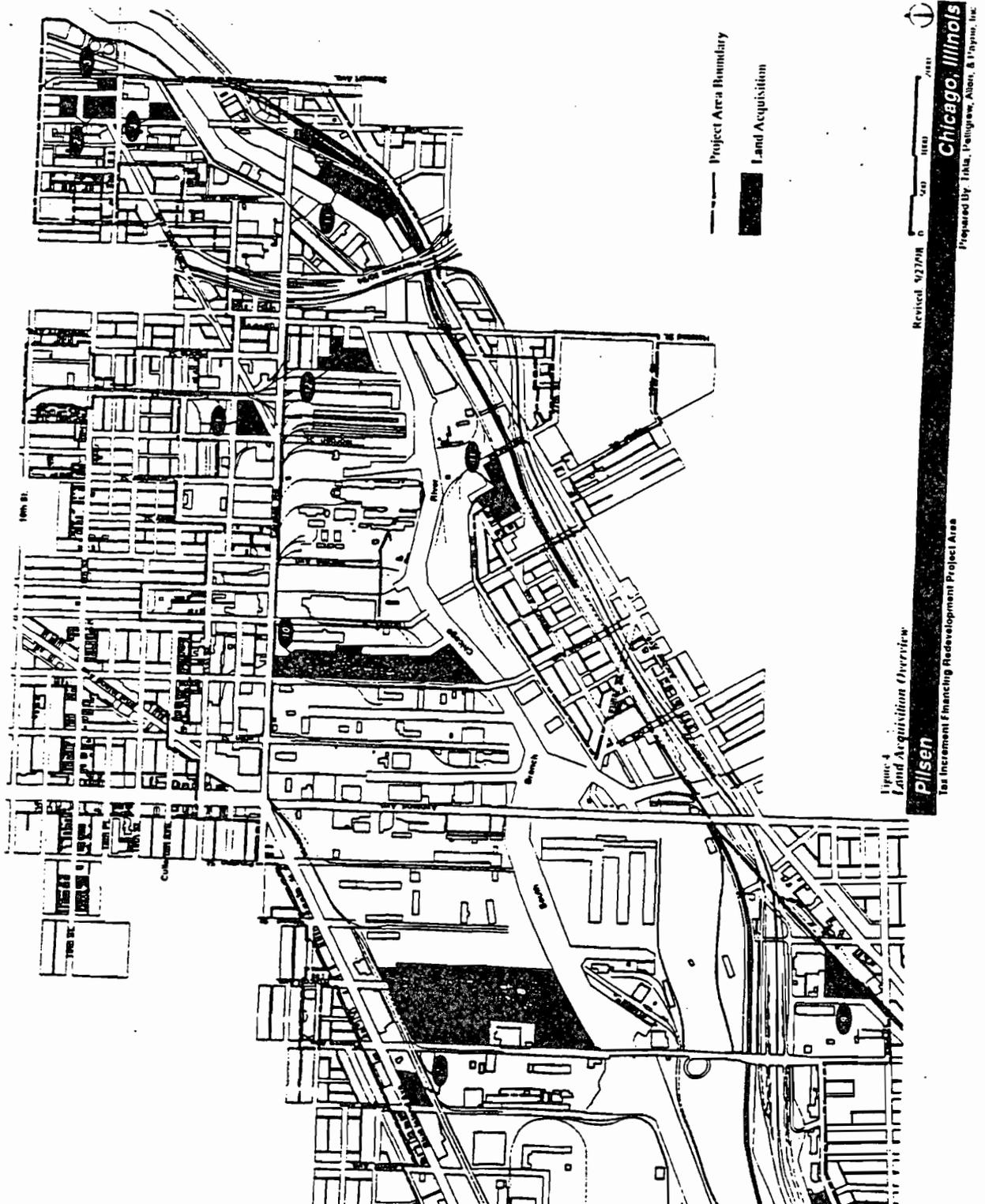
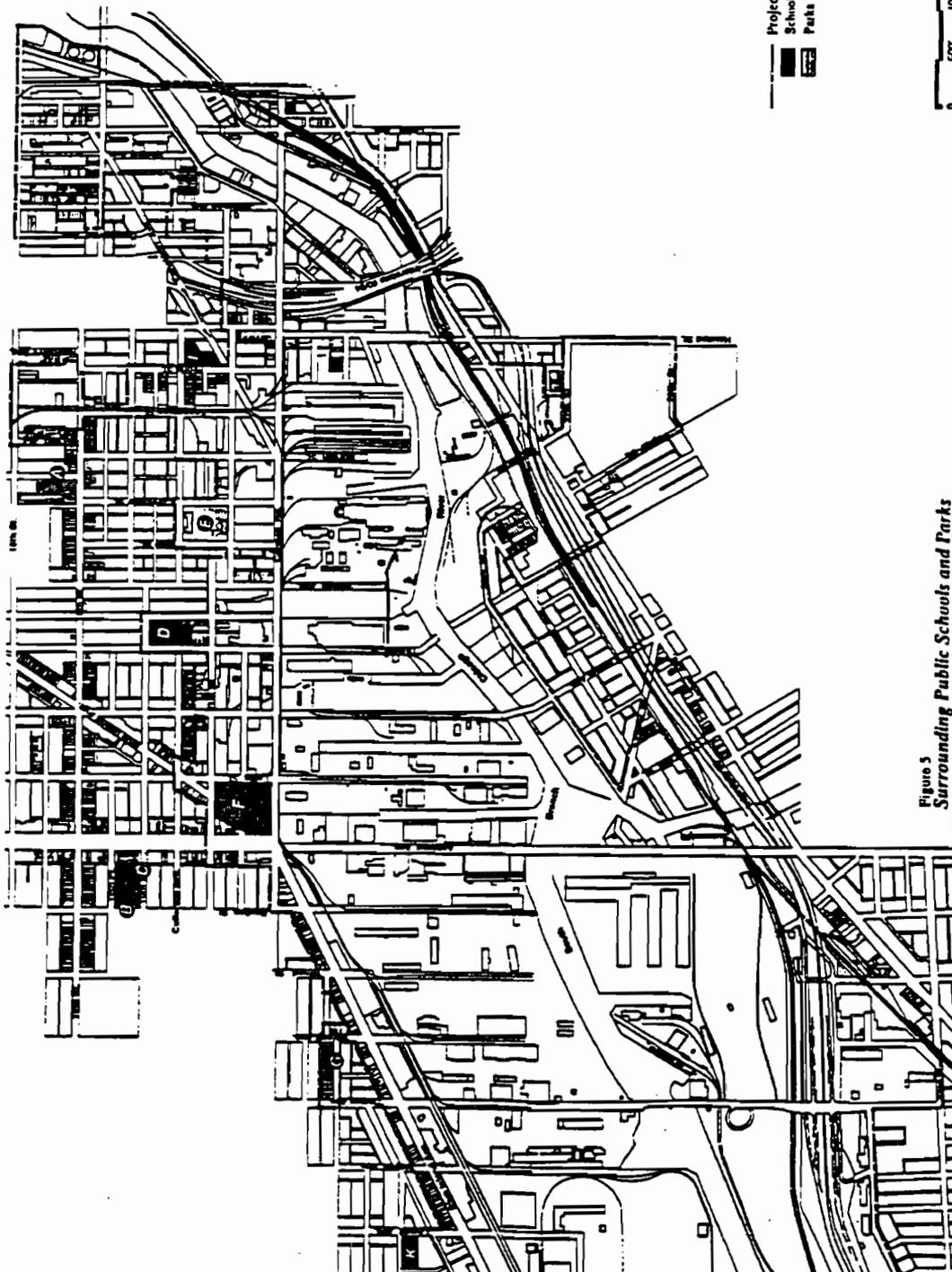


Figure 5.  
 (To Pilsen Tax Increment Financing  
 Redevelopment Project And Plan)  
 Surrounding Public Schools And Parks.  
 (To Be Completed)



Project Area Boundary  
 Schools  
 Parks



Figure 5  
 Surrounding Public Schools and Parks

**Pilsen**  
 Tax Increment Financing Redevelopment Project Area  
 Chicago, Illinois  
 Prepared By: Tntla, Pettigrew, Allen, & Payne, Inc.

(Sub)Exhibit III.  
 (To Pilsen Tax Increment Financing  
 Redevelopment Project And Plan)

*1996 Equalized Assessed Valuation By Tax Parcel.*

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1	16-36-200-007-0000	-	EX
2	17-19-425-037-0000	67,096	
3	17-19-425-038-0000	74,219	
4	17-19-425-039-0000	69,816	
5	17-19-425-040-0000	8,377	
6	17-19-425-041-0000	8,377	
7	17-19-425-042-0000	60,833	
8	17-19-425-045-0000	7,475	
9	17-19-425-044-0000	-	EX
10	17-19-429-014-0000	80,121	
11	17-19-429-033-0000	11,632	
12	17-19-429-038-0000	235,867	
13	17-19-429-039-0000	179,673	
14	17-20-318-023-0000	50,515	
15	17-20-318-024-0000	72,295	
16	17-20-318-025-0000	13,676	
17	17-20-318-026-0000	16,701	
18	17-20-318-027-0000	18,636	
19	17-20-318-030-0000	2,419	
20	17-20-318-031-0000	79,731	
21	17-20-318-032-0000	3,337	
22	17-20-318-035-0000	56,097	
23	17-20-319-001-0000	12,889	
24	17-20-322-001-0000	19,572	
25	17-20-322-002-0000	51,350	
26	17-20-322-003-0000	98,359	
27	17-20-322-004-0000	12,835	
28	17-20-322-006-0000	6,178	
29	17-20-322-007-0000	22,238	
30	17-20-322-020-0000	105,429	
31	17-20-322-021-0000	27,333	
32	17-20-322-022-0000	27,333	
33	17-20-322-023-0000	27,333	
34	17-20-322-024-0000	147,019	
35	17-20-322-034-0000	41,528	
36	17-20-322-035-0000	39,109	
37	17-20-322-036-0000	22,718	
38	17-20-324-006-0000	14,548	
39	17-20-324-007-0000	14,576	
40	17-20-324-022-0000	195,480	
41	17-20-324-023-0000	290,570	
42	17-20-324-024-0000	143,523	
43	17-20-324-025-0000	40,069	
44	17-20-325-001-0000	-	EX
45	17-20-325-002-0000	-	EX

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
47	17-20-325-004-0000	16,650	
48	17-20-325-005-0000	16,624	
49	17-20-325-006-0000	620	
50	17-20-325-007-0000	15,322	
51	17-20-325-008-0000	852	
52	17-20-325-009-0000	14,541	
53	17-20-325-010-0000	34,563	
54	17-20-325-011-0000	-	EX
55	17-20-325-012-0000	852	
56	17-20-325-013-0000	3,705	
57	17-20-325-014-0000	14,954	
58	17-20-325-015-0000	15,019	
59	17-20-325-016-0000	11,888	
60	17-20-325-017-0000	16,291	
61	17-20-325-018-0000	17,300	
62	17-20-325-019-0000	20,469	
63	17-20-325-020-0000	-	EX
64	17-20-327-002-0000	9,732	
65	17-20-327-003-0000	13,508	
66	17-20-327-004-0000	17,347	
67	17-20-327-005-0000	17,149	
68	17-20-327-006-0000	22,920	
69	17-20-327-007-0000	22,453	
70	17-20-327-014-0000	24,583	
71	17-20-327-015-0000	26,855	
72	17-20-327-016-0000	5,091	
73	17-20-327-017-0000	60,454	
74	17-20-327-018-0000	-	EX
75	17-20-327-019-0000	-	EX
76	17-20-328-004-0000	-	EX
77	17-20-328-005-0000	-	EX
78	17-20-329-017-0000	-	EX
79	17-20-329-030-0000	-	EX
80	17-20-329-031-0000	-	EX
81	17-20-329-032-0000	-	EX
82	17-20-329-033-0000	-	EX
83	17-20-329-034-0000	-	EX
84	17-20-330-001-0000	39,705	
85	17-20-330-002-0000	28,925	
86	17-20-330-003-0000	216,467	
87	17-20-330-004-0000	326,241	
88	17-20-331-004-0000	131,316	
89	17-20-331-005-0000	53,188	
90	17-20-331-006-0000	6,152	
91	17-20-331-007-0000	522,904	
92	17-20-332-001-0000	73,442	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
93	17-20-332-002-0000	75.970	
94	17-20-332-010-0000	102.382	
95	17-20-332-011-0000	95.404	
96	17-20-332-012-0000	21.532	
97	17-20-332-013-0000	21.532	
98	17-20-332-014-0000	21.532	
99	17-20-332-015-0000	22.836	
100	17-20-332-016-0000	95.910	
101	17-20-333-001-0000	9.192	
102	17-20-333-004-0000	64.652	
103	17-20-333-005-0000	83.036	
104	17-20-333-006-0000	20.736	
105	17-20-333-007-0000	91.135	
106	17-20-333-008-0000	4.254	
107	17-20-333-009-0000	170.189	
108	17-20-333-010-0000	22.997	
109	17-20-333-011-0000	13.881	
110	17-20-333-012-0000	6.414	
111	17-20-333-013-0000	4.809	
112	17-20-333-014-0000	23.426	
113	17-20-333-015-0000	1.678	
114	17-20-333-016-0000	71.852	
115	17-20-333-017-0000	26.040	
116	17-20-334-005-0000	149.597	
117	17-20-334-006-0000	33.597	
118	17-20-334-009-0000	275.207	
119	17-20-334-012-0000	34.434	
120	17-20-334-013-0000	51.912	
121	17-20-334-014-0000	36.323	
122	17-20-334-015-0000	19.617	
123	17-20-335-008-0000	654.491	
124	17-20-404-001-0000	6.339	
125	17-20-404-002-0000	18.408	
126	17-20-404-003-0000	18.408	
127	17-20-404-004-0000	-	RR
128	17-20-404-025-0000	701	
129	17-20-404-026-0000	-	RR
130	17-20-404-027-0000	-	RR
131	17-20-404-028-0000	1,525.000	
132	17-20-405-001-0000	3,499	
133	17-20-405-002-0000	1,536	
134	17-20-405-003-0000	98.806	
135	17-20-405-004-0000	14,158	
136	17-20-405-005-0000	13,771	
137	17-20-405-006-0000	1,648	
138	17-20-405-007-0000	1,648	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
139	17-20-405-008-0000	1,648	
140	17-20-405-009-0000	3,785	
141	17-20-405-010-0000	4,168	
142	17-20-405-011-0000	4,090	
143	17-20-405-012-0000	942	
144	17-20-405-013-0000	4,129	
145	17-20-405-014-0000	3,090	
146	17-20-405-015-0000	12,108	
147	17-20-405-018-0000	23,277	
148	17-20-405-035-0000	12,861	
149	17-20-405-039-0000	2,610	
150	17-20-405-040-0000	36,458	
151	17-20-405-041-0000	15,462	
152	17-20-414-001-0000	-	RR
153	17-20-414-002-0000	92,428	
154	17-20-415-001-0000	-	RR
155	17-20-415-002-0000	626	
156	17-20-415-016-0000	13,280	
157	17-20-425-001-0000	-	RR
158	17-20-425-002-0000	229,214	
159	17-20-425-003-0000	41,349	
160	17-20-425-005-0000	152,530	
161	17-20-425-006-0000	11,296	
162	17-20-425-007-0000	21,280	
163	17-20-425-008-0000	15,174	
164	17-20-425-009-0000	1,799	
165	17-20-425-010-0000	11,509	
166	17-20-425-011-0000	1,784	
167	17-20-425-012-0000	15,200	
168	17-20-425-013-0000	-	EX
169	17-20-425-014-0000	12,970	
170	17-20-425-015-0000	13,013	
171	17-20-426-001-0000	-	RR
172	17-20-426-002-0000	247,155	
173	17-20-426-003-0000	11,873	
174	17-20-426-004-0000	1,207	
175	17-20-426-005-0000	7,471	
176	17-20-426-006-0000	7,471	
177	17-20-426-007-0000	994	
178	17-20-426-008-0000	2,485	
179	17-20-426-009-0000	19,357	
180	17-20-426-010-0000	205,401	
181	17-20-426-011-0000	91,389	
182	17-20-426-012-0000	60,002	
183	17-20-426-013-0000	8,213	
184	17-20-426-014-0000	3,701	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
185	17-20-429-001-0000	65,801	
186	17-20-430-001-0000	-	EX
187	17-20-432-015-0000	11,834	
188	17-20-432-016-0000	28,792	
189	17-20-432-017-0000	47,916	
190	17-20-432-018-0000	21,435	
191	17-20-432-019-0000	35,636	
192	17-20-433-001-0000	10,586	
193	17-20-433-002-0000	77,205	
194	17-20-433-003-0000	11,025	
195	17-20-433-004-0000	120	
196	17-20-433-005-0000	22,401	
197	17-20-433-006-0000	49,463	
198	17-20-434-001-0000	-	RR
199	17-20-434-002-0000	1,597	
200	17-20-434-003-0000	1,597	
201	17-20-434-004-0000	15,071	
202	17-20-434-005-0000	11,959	
203	17-20-434-006-0000	1,259	
204	17-20-434-007-0000	1,259	
205	17-20-434-008-0000	18,774	
206	17-20-434-009-0000	1,259	
207	17-20-434-010-0000	10,137	
208	17-20-434-011-0000	3,882	
209	17-20-434-012-0000	3,417	
210	17-20-434-013-0000	3,417	
211	17-20-434-014-0000	1,536	
212	17-20-434-019-0000	6,414	
213	17-20-434-020-0000	1,151	
214	17-20-434-021-0000	2,371	
215	17-20-434-022-0000	2,371	
216	17-20-434-023-0000	1,117	
217	17-20-434-024-0000	8,413	
218	17-20-434-025-0000	3,832	
219	17-20-434-026-0000	17,295	
220	17-20-434-027-0000	90,643	
221	17-20-435-001-0000	-	RR
222	17-20-435-002-0000	114,800	
223	17-20-435-003-0000	32,762	
224	17-20-435-004-0000	32,762	
225	17-20-435-005-0000	3,716	
226	17-20-435-006-0000	3,716	
227	17-20-435-007-0000	9,097	
228	17-20-435-008-0000	210,839	
229	17-20-435-009-0000	104,112	
230	17-20-435-010-0000	1,478	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
231	17-20-435-011-0000	4.581	
232	17-20-435-012-0000	11.432	
233	17-20-435-013-0000	27.154	
234	17-20-438-001-0000	8.123	
235	17-20-438-002-0000	98.716	
236	17-20-438-003-0000	8.086	
237	17-20-438-004-0000	3.286	
238	17-20-438-007-0000	10.806	
239	17-20-438-008-0000	3.793	
240	17-20-438-009-0000	3.793	
241	17-20-438-010-0000	3.793	
242	17-20-438-011-0000	19.083	
243	17-20-438-012-0000	20.153	
244	17-20-438-013-0000	153.935	
245	17-20-438-014-0000	152.956	
246	17-20-438-015-0000	77.046	
247	17-20-438-016-0000	5.566	
248	17-20-438-019-0000	3.111	
249	17-20-438-020-0000	28.228	
250	17-20-438-021-0000	15.012	
251	17-20-438-022-0000	1.209	
252	17-20-438-023-0000	11.266	
253	17-20-438-024-0000	17.108	
254	17-20-438-025-0000	6.208	
255	17-20-438-026-0000	12.364	
256	17-20-438-027-0000	1.209	
257	17-20-438-028-0000	1.209	
258	17-20-438-029-0000	1.209	
259	17-20-438-030-0000	14.350	
260	17-20-438-031-0000	1.209	
261	17-20-438-032-0000	7.884	
262	17-20-438-033-0000	5.011	
263	17-20-438-034-0000	78.847	
264	17-20-439-001-0000	83.652	
265	17-20-439-002-0000	935.183	
266	17-20-439-003-0000	-	EX
267	17-20-440-002-0000	13.328	
268	17-20-440-006-0000	51.929	
269	17-20-440-007-0000	502.913	
270	17-20-440-008-0000	262.245	
271	17-20-441-001-0000	36.816	
272	17-20-441-002-0000	281.739	
273	17-20-441-003-0000	321.247	
274	17-20-442-001-0000	-	RR
275	17-20-443-001-0000	-	RR
276	17-20-443-002-0000	42.358	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
277	17-20-444-001-0000	-	RR
278	17-20-444-002-0000	301.952	
279	17-20-444-003-0000	83.400	
280	17-20-445-001-0000	38.135	
281	17-20-445-002-0000	6.724	
282	17-20-445-003-0000	1.349	
283	17-20-445-004-0000	6.774	
284	17-20-445-005-0000	1.349	
285	17-20-445-006-0000	377	
286	17-20-445-007-0000	17,300	
287	17-20-445-008-0000	337.995	
288	17-20-445-009-0000	3.978	
289	17-20-445-010-0000	3.809	
290	17-20-445-011-0000	3,809	
291	17-20-445-012-0000	4,398	
292	17-20-445-013-0000	1.956	
293	17-20-445-014-0000	1.956	
294	17-20-445-015-0000	15,359	
295	17-20-445-016-0000	30,662	
296	17-20-445-017-0000	8,409	
297	17-20-445-018-0000	9,420	
298	17-20-445-019-0000	-	EX
299	17-20-445-020-0000	30,931	
300	17-20-445-021-0000	2,700	
301	17-20-445-022-0000	5,136	
302	17-20-445-023-0000	24,252	
303	17-20-445-024-0000	61,853	
304	17-20-445-025-0000	2,700	
305	17-20-445-026-0000	2,700	
306	17-20-445-027-0000	26,662	
307	17-20-445-028-0000	2,700	
308	17-20-445-029-0000	14,059	
309	17-20-445-030-0000	13,975	
310	17-20-445-031-0000	13,975	
311	17-20-445-032-0000	29,076	
312	17-21-305-001-0000	686	
313	17-21-305-002-0000	725	
314	17-21-305-003-0000	2,268	
315	17-21-305-004-0000	85,382	
316	17-21-305-005-0000	1,192	
317	17-21-305-006-0000	10,619	
318	17-21-305-007-0000	10,126	
319	17-21-305-008-0000	-	EX
320	17-21-305-022-0000	35,398	
321	17-21-305-023-0000	44,248	
322	17-21-305-027-0000	4,312	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
323	17-21-305-028-0000	-	EX
324	17-21-305-040-0000	82,927	
325	17-21-305-041-0000	118	
326	17-21-305-042-0000	52,329	
327	17-21-305-043-0000	4,409	
328	17-21-305-044-0000	2,208	
329	17-21-306-001-0000	3,025	
330	17-21-306-002-0000	2,178	
331	17-21-306-003-0000	4,080	
332	17-21-306-004-0000	3,910	
333	17-21-306-005-0000	3,910	
334	17-21-306-006-0000	6,154	
335	17-21-306-007-0000	32,783	
336	17-21-306-008-0000	32,783	
337	17-21-306-009-0000	33,610	
338	17-21-306-010-0000	28,618	
339	17-21-306-011-0000	4,454	
340	17-21-306-012-0000	4,454	
341	17-21-306-013-0000	4,454	
342	17-21-306-014-0000	4,454	
343	17-21-306-015-0000	11,154	
344	17-21-306-016-0000	2,358	
345	17-21-306-017-0000	2,268	
346	17-21-306-018-0000	2,268	
347	17-21-306-036-0000	111,514	
348	17-21-306-037-0000	7,053	
349	17-21-306-038-0000	4,757	
350	17-21-306-039-0000	10,345	
351	17-21-306-040-0000	9,756	
352	17-21-306-041-0000	10,737	
353	17-21-306-042-0000	2,178	
354	17-21-306-043-0000	9,087	
355	17-21-306-044-0000	2,178	
356	17-21-306-045-0000	2,178	
357	17-21-306-046-0000	9,226	
358	17-21-306-047-0000	7,643	
359	17-21-306-048-0000	8,133	
360	17-21-306-049-0000	2,085	
361	17-21-306-050-0000	5,261	
362	17-21-306-051-0000	2,903	
363	17-21-306-052-0000	27,058	
364	17-21-306-053-0000	13,394	
365	17-21-306-054-0000	18,182	
366	17-21-306-055-0000	17,588	
367	17-21-306-056-0000	2,903	
368	17-21-306-057-0000	14,901	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
369	17-21-306-059-0000	9.203	
370	17-21-306-060-0000	147.949	
371	17-21-307-014-0000	3.408	
372	17-21-307-015-0000	3.578	
373	17-21-307-016-0000	217.911	
374	17-21-307-040-0000	3.727	
375	17-21-307-056-0000	114.660	
376	17-21-307-061-0000	223.712	
377	17-21-307-065-0000	105.336	
378	17-21-307-067-0000	38.761	
379	17-21-307-071-0000	97.046	
380	17-21-307-073-0000	1.937	
381	17-21-307-075-0000	3.372	
382	17-21-307-076-0000	13.409	
383	17-21-307-077-0000	-	EX
384	17-21-307-078-0000	282.232	
385	17-21-307-079-0000	23.391	
386	17-21-307-080-0000	118.737	
387	17-21-307-081-0000	7.339	
388	17-21-307-082-0000	14.672	
389	17-21-307-083-0000	51.482	
390	17-21-307-084-0000	79.038	
391	17-21-307-085-0000	58.905	
392	17-21-307-086-0000	30.395	
393	17-21-307-087-0000	35.245	
394	17-21-307-088-0000	88.837	
395	17-21-308-001-0000	20.086	
396	17-21-309-001-0000	12.435	
397	17-21-309-002-0000	2.046	
398	17-21-309-003-0000	-	EX
399	17-21-309-004-0000	-	EX
400	17-21-309-005-0000	-	EX
401	17-21-309-006-0000	4.088	
402	17-21-309-007-0000	4.088	
403	17-21-309-008-0000	4.088	
404	17-21-309-009-0000	8.179	
405	17-21-309-010-0000	4.088	
406	17-21-309-011-0000	4.088	
407	17-21-309-012-0000	4.088	
408	17-21-309-013-0000	4.088	
409	17-21-309-014-0000	4.088	
410	17-21-309-015-0000	64.588	
411	17-21-309-016-0000	59.540	
412	17-21-310-001-0000	10.115	
413	17-21-310-002-0000	4.906	
414	17-21-310-003-0000	4.906	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
415	17-21-310-004-0000	4.906	
416	17-21-310-005-0000	4.906	
417	17-21-310-006-0000	13.270	
418	17-21-310-007-0000	4.811	
419	17-21-310-008-0000	4.639	
420	17-21-310-009-0000	4.639	
421	17-21-310-010-0000	13.917	
422	17-21-310-011-0000	3.778	
423	17-21-310-012-0000	8.762	
424	17-21-310-013-0000	34.266	
425	17-21-310-014-0000	11.180	
426	17-21-311-004-0000	-	RR
427	17-21-311-005-0000	-	RR
428	17-21-311-006-0000	-	RR
429	17-21-311-008-0000	-	EX
430	17-21-311-009-0000	385.375	
431	17-21-311-010-0000	526.269	
432	17-21-311-011-0000	37.162	
433	17-21-311-012-0000	24.764	
434	17-21-311-013-0000	12.658	
435	17-21-311-014-0000	-	RR
436	17-21-311-015-0000	-	RR
437	17-21-311-019-0000	-	EX
438	17-21-311-020-0000	68.119	
439	17-21-311-022-0000	-	EX
440	17-21-311-024-0000	138.245	
441	17-21-311-025-0000	321.720	
442	17-21-311-026-0000	-	RR
443	17-21-311-027-0000	-	RR
444	17-21-311-028-0000	78.526	
445	17-21-311-029-0000	17.033	
446	17-21-311-030-0000	-	RR
447	17-21-311-031-0000	-	RR
448	17-21-311-032-0000	37.192	
449	17-21-311-033-0000	26.221	
450	17-21-322-017-0000	3.679	
451	17-21-322-018-0000	3.679	
452	17-21-322-019-0000	3.679	
453	17-21-322-020-0000	18.526	
454	17-21-322-039-0000	1.853	
455	17-21-322-040-0000	9.904	
456	17-21-322-041-0000	9.902	
457	17-21-322-044-0000	37.595	
458	17-21-323-005-0000	48.458	
459	17-21-323-006-0000	48.458	
460	17-21-323-007-0000	48.458	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
461	17-21-323-008-0000	34,769	
462	17-21-323-009-0000	17,618	
463	17-21-323-010-0000	12,678	
464	17-21-323-011-0000	10,042	
465	17-21-323-012-0000	30,143	
466	17-21-323-013-0000	25,162	
467	17-21-323-018-0000	61,859	
468	17-21-323-029-0000	96,919	
469	17-21-323-030-0000	48,458	
470	17-21-323-038-0000	54,472	
471	17-21-323-039-0000	347,140	
472	17-21-325-001-0000	2,268	
473	17-21-325-002-0000	2,268	
474	17-21-325-003-0000	4,161	
475	17-21-325-004-0000	2,268	
476	17-21-325-005-0000	5,672	
477	17-21-325-006-0000	11,656	
478	17-21-325-007-0000	4,258	
479	17-21-325-008-0000	4,258	
480	17-21-325-009-0000	2,178	
481	17-21-325-015-0000	3,550	
482	17-21-325-016-0000	3,550	
483	17-21-325-017-0000	3,550	
484	17-21-325-018-0000	2,840	
485	17-21-325-019-0000	12,734	
486	17-21-325-020-0000	10,190	
487	17-21-325-021-0000	10,190	
488	17-21-325-022-0000	10,190	
489	17-21-325-023-0000	7,268	
490	17-21-325-024-0000	3,550	
491	17-21-325-025-0000	3,550	
492	17-21-325-026-0000	3,550	
493	17-21-325-027-0000	3,550	
494	17-21-325-028-0000	2,840	
495	17-21-325-029-0000	2,763	
496	17-21-325-030-0000	4,161	
497	17-21-325-031-0000	2,573	
498	17-21-325-032-0000	3,372	
499	17-21-325-033-0000	2,365	
500	17-21-325-034-0000	1,457	
501	17-21-325-035-0000	1,704	
502	17-21-325-036-0000	1,704	
503	17-21-325-037-0000	1,704	
504	17-21-325-038-0000	3,817	
505	17-21-325-039-0000	12,450	
506	17-21-325-040-0000	3,372	

## Exhibit I

### Approved Prior Expenditures

<u>Line Item</u>	<u>Cost (\$)</u>
Dynamic Compaction	35,910
Demolition	479,892
Surveys/Plats Consolidation (Wolcott)	13,595
Excavation	129,735
Civil Engineering	85,804
General Conditions	69,808
General Contractor Overhead	26,075
General Contractor Profit	26,075
Land Acquisition	6,250,775
Site and Land Studies, Soil and Geotechnical Analysis, Preliminary Engineering and Topographic Surveys	284,965
Relocation/Removal of Abandoned Water Main	14,984
Environmental Assessment	230,822
Legal on Land Acquisition	26,000
Legal on Wolcott Vacation	12,190
Legal on Canal C	10,000
<b>TOTAL:</b>	<b>\$7,696,630</b>

**EXHIBIT J**

**OPINION OF DEVELOPER'S COUNSEL**

**Please note that this opinion must cover both CIPM and CRS**

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

City of Chicago  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to \_\_\_\_\_, an [Illinois] \_\_\_\_\_ (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the \_\_\_\_\_ Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

(a) \_\_\_\_\_ Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

[(b) the Escrow Agreement of even date herewith executed by the Developer and the City;]

(c) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and

(d) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of the Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do

business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if the Developer is not a corporation]; and

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

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

Based on the foregoing, it is our opinion that:

1. The Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign [corporation] [entity] under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Developer's [Articles of Incorporation or By-Laws] [describe any formation documents if the Developer is not a corporation] or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

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

4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized officer of the Developer, and each such Document constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance

with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. Exhibit A attached hereto (a) identifies each class of capital stock of the Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

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

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

8. To the best of our knowledge after diligent inquiry, all of the assets of the Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

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

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

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

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

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

Very truly yours,

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT K**

**Intentionally Omitted.**

**EXHIBIT L**

**FORM OF INITIAL NOTE**

*See attached*

REGISTERED  
NO. R- \_\_\_\_\_

MAXIMUM AMOUNT  
\$8,500,000

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
(PILSEN REDEVELOPMENT PROJECT AREA), SERIES A**

Registered Owner: \_\_\_\_\_

Interest Rate: \_\_\_\_\_ % [not to exceed 9.5%]

Maturity Date: \_\_\_\_\_, 20\_\_ [the earlier of twenty years from the date of  
issuance or the date on which the Pilsen Redevelopment Project Area terminates]

**KNOW ALL PERSONS BY THESE PRESENTS**, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereinafter defined) in accordance with the Ordinance hereinafter referred to up to the principal amount of \$8,500,000 and to pay the Registered Owner or registered assigns interest on that amount at the Interest Rate per year specified above (subject to adjustment as provided in the hereinafter defined Redevelopment Agreement) from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on accrued but unpaid interest on this Note shall accrue at the Interest Rate per year specified above and compound on \_\_\_\_\_ of each year until paid. Principal of and

interest on this Note are payable on \_\_\_\_\_ 1 of each year from available incremental ad valorem tax revenues on deposit in the Developer Account (the "Developer Account") established pursuant to the Ordinance hereinafter referred to. Payments on this Note shall be applied first to accrued but unpaid interest and thereafter to principal.

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City.

This Note is one of a series of Notes (the "Notes") issued by the City in fully registered form in the aggregate principal amount of advances made from time to time by CIPM, L.L.C., an Illinois limited liability company ("CIPM") and CenterPoint Realty Services Corporation, an Illinois corporation and sole member of CIPM ("CRS" and, collectively with CIPM, the "Developer") up to \$8,500,000 for the purpose of paying or reimbursing the costs of certain eligible redevelopment project costs incurred by the Developer in connection with the development of an approximately 436,224 square foot facility to be used as warehouse and

distribution space for produce-industry businesses as further described in the hereinafter defined Redevelopment Agreement (the "Project"), in the Pilsen Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on \_\_\_\_\_, 200\_ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of and interest of the Notes. Reference is hereby made to the aforesaid Ordinance for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Notes and the terms and conditions under which the Notes are issued and secured. **THIS NOTE IS NOT A GENERAL OR MORAL OBLIGATION OF THE CITY BUT IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AMOUNTS ON DEPOSIT IN THE DEVELOPER ACCOUNT, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE**

**TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL  
SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS  
NOTE.**

The principal of this Note is subject to (i) reduction and (ii) prepayment and redemption without penalty at any time (including, in the City's sole discretion, prepayment and redemption from sources other than funds on deposit in the Developer Account), all in accordance with the Redevelopment Agreement hereinafter referred to.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for prepayment or redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of prepayment or redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance provides.

Pursuant to the Redevelopment Agreement dated as of \_\_\_\_\_ (the "Redevelopment Agreement") between the City and the Developer, the Developer has agreed to acquire and construct the Project and to advance funds for the incursion under the TIF Act of certain eligible redevelopment project costs related to the Project on behalf of the City. Such

costs up to the amount of \$8,500,000 as determined and adjusted pursuant to the Redevelopment Agreement shall be deemed to be a disbursement of the proceeds of the Notes, and the outstanding principal amount of the Notes shall be increased by the amount of each such advance from time to time. The principal amount outstanding of the Notes shall be the sum of advances made pursuant to certificates of expenditure ("Certificates of Expenditure") executed by the Commissioner of the Department of Planning and Development (or his or her designee) in accordance with the Redevelopment Agreement, minus any principal amount paid on the Notes or other reductions pursuant to the Redevelopment Agreement. The City shall not execute Certificates of Expenditure with respect to the Notes that total in excess of \$8,500,000.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to terminate and suspend payments of principal of and interest on this Note upon the occurrence and continuance of an Event of Default, as defined in the Redevelopment Agreement. Such right shall survive any transfer of this Note by the Registered Owner.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of

authentication hereon shall have been signed by the Registrar.

**IN WITNESS WHEREOF**, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized manual or facsimile signature of the Mayor and attested by the duly authorized manual or facsimile signature of the City Clerk of the City, all as of \_\_\_\_\_.

\_\_\_\_\_  
Mayor

(SEAL)  
Attest:

\_\_\_\_\_  
City Clerk

**CERTIFICATE  
OF  
AUTHENTICATION**

Registrar and Paying Agent:  
Comptroller of the  
City of Chicago,  
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is one of the \$ \_\_\_\_\_ Tax Increment Allocation Revenue Notes (Pilsen Redevelopment Project Area), Series A, of the City of Chicago, Cook County, Illinois.

\_\_\_\_\_  
Comptroller  
Date: \_\_\_\_\_

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Consented to as of: \_\_\_\_\_

City of Chicago, Illinois

By: \_\_\_\_\_

Title: \_\_\_\_\_  
Department of Planning and Development

**EXHIBIT M**

**FORM OF REFUNDING NOTE**

*See attached*

REGISTERED  
NO. R-\_\_\_\_\_

MAXIMUM AMOUNT  
\$15,000,000

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE REFUNDING NOTE  
(PILSEN REDEVELOPMENT PROJECT AREA), SERIES A**

Principal Amount: \$ \_\_\_\_\_

Registered Owner: \_\_\_\_\_

Interest Rate: \_\_\_\_\_% [not to exceed 9.5%]

Maturity Date: \_\_\_\_\_, 20\_\_ [the earlier of twenty years from the date of issuance or the date on which the Pilsen Redevelopment Project Area terminates]

**KNOW ALL PERSONS BY THESE PRESENTS**, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the Principal Amount of this Note identified above in accordance with the Ordinance hereinafter referred to up to the principal amount of \$15,000,000 and to pay the Registered Owner or registered assigns interest on that amount at the Interest Rate per year specified above (subject to adjustment as provided in the hereinafter defined Redevelopment Agreement). Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on accrued but unpaid interest on this Note shall accrue at the Interest Rate per year specified above and compound on \_\_\_\_\_ of each year until paid. Principal of and interest on this Note

are payable on \_\_\_\_\_ 1 of each year from available incremental ad valorem tax revenues on deposit in the Developer Account (the "Developer Account") established pursuant to the Ordinance hereinafter referred to. Payments on this Note shall be applied first to accrued but unpaid interest and thereafter to principal.

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City.

This Note is one of a series of Notes (the "Notes") issued by the City in fully registered form to refund the City's Tax Increment Allocation Revenue Notes (Pilsen Redevelopment Project Area), Series A (the "Prior Notes"), which were issued in connection with that certain CIPM, L.L.C. Redevelopment Agreement (the "Redevelopment Agreement") dated as of \_\_\_\_\_, 2001 between the City, CIPM, L.L.C., an Illinois limited liability company ("CIPM") and CenterPoint Realty Services Corporation, an Illinois corporation and sole member of CIPM ("CRS" and, collectively with CIPM, the "Developer"). Pursuant to the

Redevelopment Agreement, the Developer has agreed to construct an approximately 436,224 square foot facility to be used as warehouse and distribution space for produce-industry businesses as further described in the Redevelopment Agreement (the "Project"), in the Pilsen Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on \_\_\_\_\_, 200\_ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of and interest of the Notes. Reference is hereby made to the aforesaid Ordinance for a description, among others; with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Notes and the terms and conditions under which the Notes are issued and secured. **THIS NOTE IS NOT A GENERAL OR MORAL OBLIGATION OF THE CITY BUT IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AMOUNTS ON DEPOSIT IN THE DEVELOPER ACCOUNT, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF**

**THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.**

This Note is subject to redemption at the option of the City prior to maturity in whole or in part on any date on or after \_\_\_\_\_ 20\_\_ [the January 1 or July 1 next succeeding the tenth anniversary of the date of issuance of this Note], at the redemption price of 100% of the aggregate principal amount then outstanding, plus accrued interest thereon to the date fixed for redemption.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for prepayment or redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of prepayment or redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance provides.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to terminate and suspend payments of principal of and interest on this Note upon the

occurrence and continuance of an Event of Default, as defined in the Redevelopment Agreement. Such right shall survive any transfer of this Note by the Registered Owner.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

**IN WITNESS WHEREOF**, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized manual or facsimile signature of the Mayor and attested by the duly authorized manual or facsimile signature of the City Clerk of the City, all as of \_\_\_\_\_.

\_\_\_\_\_  
Mayor

(SEAL)  
Attest:

\_\_\_\_\_  
City Clerk

**CERTIFICATE  
OF  
AUTHENTICATION**

Registrar and Paying Agent:  
Comptroller of the  
City of Chicago,  
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is one of the \$ \_\_\_\_\_ Tax Increment Allocation Revenue Refunding Notes (Pilsen Redevelopment Project Area), Series A, of the City of Chicago, Cook County, Illinois.

\_\_\_\_\_  
Comptroller  
Date: \_\_\_\_\_

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Consented to as of: \_\_\_\_\_

City of Chicago, Illinois

By: \_\_\_\_\_

Title: \_\_\_\_\_  
Department of Planning and Development

**EXHIBIT N**

**FORM OF SUBORDINATION AGREEMENT**

**None.**

## **EXHIBIT O**

### **JOB READINESS PROGRAM**

As a result of the development of the Project, the Developer seeks to create and facilitate employment opportunities for City of Chicago residents. This effort will target communities adjacent to the facility primarily but not exclusively. The Mayor's Office of Workforce Development (MOWD) will serve as the first source to the Market and its individual members for employment and employment-related needs.

Services available through MOWD may include but are not limited to the following:

- Applicant recruitment and community outreach;
- Pre-screening of applicants;
- Job readiness training and skills training;
- Retention enhancement services; and
- Access to wage subsidies and employer financial incentives.

The Developer will utilize MOWD to meet its employment needs, and where appropriate will engage MOWD prior to any other service to meet those needs.

The Developer will provide MOWD access to the businesses occupying the market for the purpose of advising them of the employment services available through MOWD. Additionally, the Developer will encourage individual businesses operating within the market to utilize MOWD as a first source for employment and training related services.

Specific services available to businesses will depend on businesses' specific needs, the quality of the employment opportunities, and available resources at the time of request. Specific service requests made by businesses will be assessed and addressed on an individual basis.

## **EXHIBIT P**

### **PERMITTED INVESTMENTS**

Direct obligations of, and obligations fully guaranteed as to the timely payment, without reinvestment, of principal and interest by the full faith and credit of, the United States of America.

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
507	17-21-325-041-0000	6.924	
508	17-21-325-042-0000	7.809	
509	17-21-325-043-0000	7.398	
510	17-21-325-044-0000	7.398	
511	17-21-325-053-0000	7.398	
512	17-21-325-054-0000	7.415	
513	17-21-325-055-0000	115.697	
514	17-21-325-056-0000	81.173	
515	17-21-326-003-0000	316.293	
516	17-21-326-005-0000	381.737	
517	17-21-326-006-0000	35.738	
518	17-21-326-007-0000	3.834	
519	17-21-327-006-0000	-	RR
520	17-21-327-012-0000	550.874	
521	17-21-327-014-0000	67.871	
522	17-21-327-015-0000	431.655	
523	17-21-327-016-0000	369.150	
524	17-21-328-001-0000	13.689	
525	17-21-328-002-0000	5.648	
526	17-21-328-003-0000	14.223	
527	17-21-328-004-0000	2.261	
528	17-21-328-005-0000	5.982	
529	17-21-328-006-0000	2.272	
530	17-21-328-007-0000	2.272	
531	17-21-328-008-0000	79.213	
532	17-21-328-009-0000	-	EX
533	17-21-328-010-0000	-	EX
534	17-21-328-011-0000	-	EX
535	17-21-328-012-0000	3.990	
536	17-21-328-013-0000	-	EX
537	17-21-328-014-0000	-	EX
538	17-21-328-015-0000	-	EX
539	17-21-328-016-0000	-	EX
540	17-21-328-017-0000	-	EX
541	17-21-328-018-0000	-	EX
542	17-21-328-019-0000	-	EX
543	17-21-328-020-0000	-	EX
544	17-21-328-021-0000	-	EX
545	17-21-328-022-0000	-	EX
546	17-21-328-023-0000	-	EX
547	17-21-328-024-0000	-	EX
548	17-21-328-025-0000	-	EX
549	17-21-328-026-0000	-	EX
550	17-21-328-027-0000	-	EX
551	17-21-328-028-0000	-	EX
552	17-21-328-029-0000	-	EX

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
553	17-21-328-030-0000	-	EX
554	17-21-328-031-0000	-	EX
555	17-21-328-032-0000	-	EX
556	17-21-329-001-0000	29,685	
557	17-21-329-002-0000	2,272	
558	17-21-329-003-0000	11,497	
559	17-21-329-004-0000	4,996	
560	17-21-329-005-0000	10,909	
561	17-21-329-008-0000	29,035	
562	17-21-329-009-0000	-	EX
563	17-21-329-010-0000	-	EX
564	17-21-329-011-0000	-	EX
565	17-21-329-012-0000	-	EX
566	17-21-329-013-0000	-	EX
567	17-21-329-014-0000	-	EX
568	17-21-329-015-0000	-	EX
569	17-21-329-016-0000	-	EX
570	17-21-329-017-0000	-	EX
571	17-21-329-018-0000	-	EX
572	17-21-329-019-0000	-	EX
573	17-21-329-020-0000	-	EX
574	17-21-329-021-0000	-	EX
575	17-21-329-022-0000	2,522	
576	17-21-329-023-0000	-	EX
577	17-21-329-024-0000	-	EX
578	17-21-329-025-0000	-	EX
579	17-21-329-026-0000	-	EX
580	17-21-329-027-0000	-	EX
581	17-21-329-028-0000	2,044	
582	17-21-329-029-0000	-	EX
583	17-21-329-030-0000	-	EX
584	17-21-329-031-0000	-	EX
585	17-21-329-032-0000	-	EX
586	17-21-329-033-0000	-	EX
587	17-21-329-034-0000	-	EX
588	17-21-329-035-0000	38,806	
589	17-21-330-005-0000	-	EX
590	17-21-330-006-0000	169,651	
591	17-21-330-007-0000	153,218	
592	17-21-330-008-0000	387,302	
593	17-21-331-001-0000	1,209,141	
594	17-21-332-001-0000	467,534	
595	17-21-332-002-0000	80,648	
596	17-21-332-003-0000	100,301	
597	17-21-332-010-0000	192,323	
598	17-21-332-011-0000	10,791	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
599	17-21-332-012-0000	508,746	
600	17-21-332-013-0000	-	EX
601	17-21-332-014-0000	111,525	
602	17-21-332-015-0000	-	EX
603	17-21-333-003-0000	104,433	
604	17-21-333-004-0000	9,057	
605	17-21-333-005-0000	210,453	
606	17-21-333-006-0000	55,443	
607	17-21-334-001-0000	240,560	
608	17-21-334-003-0000	22,582	
609	17-21-334-004-0000	138,079	
610	17-21-335-001-0000	1,850	
611	17-21-335-002-0000	519	
612	17-21-335-003-0000	-	EX
613	17-21-336-004-0000	72,056	
614	17-21-336-005-0000	2,311	
615	17-21-336-006-0000	2,066	
616	17-21-336-010-0000	-	RR
617	17-21-336-011-0000	510	
618	17-21-336-012-0000	1,777	
619	17-21-336-013-0000	-	RR
620	17-21-336-014-0000	-	RR
621	17-21-336-017-0000	203,525	
622	17-21-336-018-0000	-	RR
623	17-21-336-020-0000	-	RR
624	17-21-336-021-0000	3,880	
625	17-21-336-022-0000	11,679	
626	17-21-336-023-0000	-	EX
627	17-21-336-024-0000	1,080	
628	17-21-336-025-0000	118	
629	17-21-336-026-0000	1,657	
630	17-21-500-001-0000	-	RR
631	17-21-500-002-0000	-	RR
632	17-21-500-003-000	-	RR
633	17-21-500-004-0000	-	RR
634	17-28-100-001-0000	273,046	
635	17-28-100-002-0000	193,020	
636	17-28-100-004-0000	-	EX
637	17-28-100-007-0000	-	EX
638	17-28-100-008-0000	201,117	
639	17-28-100-015-0000	353,079	
640	17-28-100-016-0000	210,159	
641	17-28-100-017-0000	-	EX
642	17-28-100-021-0000	-	
643	17-28-100-024-0000	69,616	
644	17-28-100-025-0000	81,317	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
645	17-28-100-026-0000	415.313	
646	17-28-100-027-0000	214.309	
647	17-28-100-029-8001	-	
648	17-28-100-029-8002	19.307	
649	17-28-100-030-8002	114.652	
650	17-28-100-031-0000	103.443	
651	17-28-100-032-0000	45.199	
652	17-28-100-033-0000	354.426	
653	17-28-101-003-0000	213.016	
654	17-28-101-004-0000	127.077	
655	17-28-102-001-0000	374.944	
656	17-28-102-002-0000	106.896	
657	17-28-102-003-0000	52.493	
658	17-28-102-004-0000	4.260	
659	17-28-102-005-0000	18.683	
660	17-28-102-006-0000	18.683	
661	17-28-102-007-0000	19.027	
662	17-28-102-008-0000	195.359	
663	17-28-102-009-0000	45.825	
664	17-28-102-010-0000	44.398	
665	17-28-102-011-0000	8.172	
666	17-28-102-012-0000	8.172	
667	17-28-102-013-0000	32.712	
668	17-28-102-014-0000	35.198	
669	17-28-102-015-0000	58.012	
670	17-28-102-016-0000	33.913	
671	17-28-102-017-0000	4.088	
672	17-28-102-018-0000	3.294	
673	17-28-103-001-0000	-	EX
674	17-28-103-002-0000	610.896	
675	17-28-103-006-0000	274.701	
676	17-28-103-007-0000	131.751	
677	17-28-103-008-0000	11.821	
678	17-28-103-011-0000	285.251	
679	17-28-103-012-0000	64.594	
680	17-28-104-001-0000	20.581	
681	17-28-104-002-0000	16.136	
682	17-28-104-003-0000	-	RR
683	17-28-104-006-0000	172.958	
684	17-28-104-007-0000	67.624	
685	17-28-104-008-0000	2.414	
686	17-28-104-009-0000	2.952	
687	17-28-104-010-0000	1.885	
688	17-28-104-011-0000	3.931	
689	17-28-104-012-0000	1.498	
690	17-28-104-013-0000	-	RR

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
691	17-28-104-014-0000	-	RR
692	17-28-104-016-0000	-	EX
693	17-28-104-017-0000	1,601	
694	17-28-104-018-0000	1,584	
695	17-28-104-019-0000	1,549	
696	17-28-104-020-0000	1,532	
697	17-28-104-021-0000	4,043	
698	17-28-104-022-0000	-	EX
699	17-28-104-025-0000	10,825	
700	17-28-104-029-0000	-	RR
701	17-28-104-030-0000	-	RR
702	17-28-104-031-0000	2,027	
703	17-28-104-032-0000	448	
704	17-28-104-033-0000	2,061	
705	17-28-104-034-0000	80	
706	17-28-104-035-0000	57,123	
707	17-28-105-006-0000	-	RR
708	17-28-105-020-0000	1,704	
709	17-28-105-021-0000	1,704	
710	17-28-105-022-0000	-	RR
711	17-28-105-023-0000	1,919	
712	17-28-105-024-0000	6,604	
713	17-28-105-025-0000	7,292	
714	17-28-105-026-0000	12,060	
715	17-28-105-027-0000	-	EX
716	17-28-109-009-0000	-	EX
717	17-28-111-001-0000	432,352	
718	17-28-111-008-0000	-	RR
719	17-28-111-009-0000	-	RR
720	17-28-111-016-0000	-	RR
721	17-28-111-018-0000	-	RR
722	17-28-111-019-0000	-	EX
723	17-28-111-020-0000	-	RR
724	17-28-111-022-0000	-	RR
725	17-28-111-023-0000	54,954	
726	17-28-111-024-0000	-	RR
727	17-28-111-025-0000	120,239	
728	17-28-111-026-0000	516	
729	17-28-111-027-0000	-	RR
730	17-28-111-028-0000	3,568	
731	17-28-111-029-0000	-	RR
732	17-28-111-030-0000	319,196	
733	17-28-111-031-0000	355,900	
734	17-28-111-032-0000	57,935	
735	17-28-111-033-0000	241,429	
736	17-28-111-035-6001	-	RR

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
737	17-28-111-035-6002	-	RR
738	17-28-111-036-6001	-	RR
739	17-28-111-036-6002	-	RR
740	17-28-111-037-6001	-	RR
741	17-28-111-037-6002	-	RR
742	17-28-111-038-6001	-	RR
743	17-28-111-038-6002	-	RR
744	17-28-111-039-6001	-	RR
745	17-28-111-039-6002	-	RR
746	17-28-111-040-8002	6.046	
747	17-28-112-001-0000	-	RR
748	17-28-113-003-0000	-	EX
749	17-28-114-001-0000	491	
750	17-28-114-003-0000	-	EX
751	17-28-500-002-0000	-	RR
752	17-29-100-003-0000	-	EX
753	17-29-100-016-0000	35.684	
754	17-29-100-019-0000	1,088.760	
755	17-29-100-026-0000	129.558	
756	17-29-100-030-0000	728.464	
757	17-29-100-031-0000	72.304	
758	17-29-100-032-0000	144.611	
759	17-29-100-035-0000	531.735	
760	17-29-100-037-0000	30.759	
761	17-29-100-038-0000	2.959	
762	17-29-100-039-0000	224.420	
763	17-29-100-040-0000	7.781	
764	17-29-100-041-0000	130.595	
765	17-29-100-042-0000	207.542	
766	17-29-100-043-0000	464.976	
767	17-29-100-044-0000	492.982	
768	17-29-100-049-0000	-	EX
769	17-29-100-050-0000	66.879	
770	17-29-100-051-0000	-	RR
771	17-29-100-052-8001	-	EX
772	17-29-100-052-8002	1.409	
773	17-29-100-053-0000	215.398	
774	17-29-100-054-0000	260.057	
775	17-29-101-012-0000	187.202	
776	17-29-101-013-0000	236.216	
777	17-29-101-014-0000	94.858	
778	17-29-101-015-0000	69.033	
779	17-29-101-016-0000	100.953	
780	17-29-101-017-0000	94.810	
781	17-29-101-018-0000	94.808	
782	17-29-101-019-0000	27.712	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
783	17-29-101-020-0000	27,712	
784	17-29-101-021-0000	4,271	
785	17-29-101-022-0000	23,017	
786	17-29-101-033-0000	-	
787	17-29-101-034-0000	596,606	
788	17-29-101-035-0000	77,752	
789	17-29-101-036-0000	15,262	
790	17-29-101-037-0000	31,527	
791	17-29-101-038-0000	29,868	
792	17-29-101-039-0000	126,361	
793	17-29-101-040-0000	93,528	
794	17-29-101-041-0000	93,528	
795	17-29-101-042-0000	13,807	
796	17-29-101-043-0000	14,769	
797	17-29-101-044-0000	96,519	
798	17-29-101-045-0000	98,047	
799	17-29-101-052-0000	228,777	
800	17-29-101-054-0000	202,871	
801	17-29-101-055-0000	-	RR
802	17-29-101-056-0000	363,194	
803	17-29-102-001-0000	-	RR
804	17-29-102-031-0000	-	EX
805	17-29-102-037-0000	527,468	
806	17-29-102-038-0000	6,457	
807	17-29-102-039-0000	20,955	
808	17-29-102-040-0000	274,656	
809	17-29-102-041-0000	131,493	
810	17-29-102-042-0000	1,143	
811	17-29-102-043-0000	21,661	
812	17-29-102-044-0000	747,197	
813	17-29-103-001-0000	-	RR
814	17-29-103-007-0000	340,186	
815	17-29-103-008-0000	33,148	
816	17-29-103-011-0000	20,968	
817	17-29-103-012-0000	1,015,006	
818	17-29-103-014-0000	4,097	
819	17-29-103-016-0000	28,482	
820	17-29-103-017-0000	80,226	
821	17-29-103-018-0000	285,445	
822	17-29-103-019-0000	56,889	
823	17-29-103-020-0000	110,800	
824	17-29-104-001-0000	-	EX
825	17-29-200-001-0000	-	RR
826	17-29-200-002-0000	18,731,592	
827	17-29-200-005-0000	-	RR
828	17-29-200-006-0000	-	RR

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
829	17-29-200-007-0000	279,514	
830	17-29-200-009-6001	-	RR
831	17-29-201-003-0000	11,036	
832	17-29-201-004-0000	-	RR
833	17-29-201-005-0000	50,513	
834	17-29-201-006-0000	-	RR
835	17-29-201-007-0000	51,348	
836	17-29-201-008-0000	60,205	
837	17-29-201-009-0000	1,588	
838	17-29-201-010-0000	1,588	
839	17-29-201-011-0000	1,588	
840	17-29-201-012-0000	1,588	
841	17-29-201-013-0000	27,038	
842	17-29-201-017-0000	-	RR
843	17-29-201-018-0000	23,684	
844	17-29-201-019-0000	15,344	
845	17-29-201-020-0000	2,629	
846	17-29-201-021-0000	16,435	
847	17-29-201-022-0000	35,908	
848	17-29-201-023-0000	42,771	
849	17-29-201-024-0000	148,274	
850	17-29-201-025-0000	-	RR
851	17-29-201-026-6001	-	RR
852	17-29-202-001-0000	-	RR
853	17-29-202-002-0000	-	RR
854	17-29-202-004-0000	1,444	
855	17-29-202-005-0000	1,588	
856	17-29-202-006-0000	1,588	
857	17-29-202-010-0000	1,732	
858	17-29-202-011-0000	3,092	
859	17-29-202-012-0000	3,092	
860	17-29-202-013-0000	4,179	
861	17-29-202-029-0000	2,419	
862	17-29-202-030-0000	5,259	
863	17-29-202-031-0000	2,629	
864	17-29-202-032-0000	2,524	
865	17-29-202-033-0000	5,196	
866	17-29-202-034-0000	13,267	
867	17-29-202-037-6001	-	RR
868	17-29-202-038-6001	-	RR
869	17-29-202-039-6001	-	RR
870	17-29-203-001-0000	-	RR
871	17-29-203-004-0000	45,007	
872	17-29-203-005-0000	14,705	
873	17-29-203-006-0000	5,155	
874	17-29-203-007-0000	7,727	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
875	17-29-203-008-0000	-	RR
876	17-29-203-009-0000	-	RR
877	17-29-203-010-0000	49,063	
878	17-29-203-011-0000	88,667	
879	17-29-203-012-0000	-	EX
880	17-29-203-017-6001	-	RR
881	17-29-203-018-6001	-	RR
882	17-29-203-019-6001	-	RR
883	17-29-203-020-6001	-	RR
884	17-29-300-003-0000	-	EX
885	17-29-300-006-8001	-	EX
886	17-29-300-006-8002	56,491	
887	17-29-300-007-8001	-	EX
888	17-29-300-007-8002	28,075	
889	17-29-301-002-0000	-	EX
890	17-29-301-003-0000	35,415	
891	17-29-301-004-0000	-	EX
892	17-29-301-005-0000	17,526	
893	17-29-301-006-0000	-	EX
894	17-29-301-008-0000	59,307	
895	17-29-301-009-0000	239,013	
896	17-29-301-011-0000	93,199	
897	17-29-301-012-0000	577,247	
898	17-29-302-001-0000	169,743	
899	17-29-302-002-0000	698,848	
900	17-29-302-003-0000	132,631	
901	17-29-302-004-0000	102,946	
902	17-29-302-005-0000	117,009	
903	17-29-303-001-0000	225,821	
904	17-29-304-001-0000	4,301	
905	17-29-308-003-0000	575,674	
906	17-29-309-035-0000	81,737	
907	17-29-309-036-0000	826,076	
908	17-29-310-001-0000	407,571	
909	17-29-310-002-0000	619,384	
910	17-29-310-048-0000	314	
911	17-29-310-049-0000	-	RR
912	17-29-310-050-0000	-	RR
913	17-29-400-001-0000	70,724	
914	17-29-400-002-0000	284,836	
915	17-29-400-007-0000	155,781	
916	17-29-400-008-0000	112,710	
917	17-29-400-010-0000	80,097	
918	17-29-400-011-0000	805,519	
919	17-29-402-001-0000	603,016	
920	17-29-402-007-0000	1,007	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
921	17-29-402-008-0000	966	
922	17-29-402-009-0000	17,005	
923	17-29-402-010-0000	14,500	
924	17-29-402-011-0000	4,153	
925	17-29-402-012-0000	6,378	
926	17-29-402-013-0000	704	
927	17-29-402-014-0000	704	
928	17-29-402-015-0000	2,016	
929	17-29-402-016-0000	-	RR
930	17-29-402-021-0000	-	EX
931	17-29-402-022-0000	-	EX
932	17-29-402-023-0000	-	EX
933	17-29-402-024-0000	-	EX
934	17-29-402-030-0000	-	EX
935	17-29-402-031-0000	-	EX
936	17-29-402-032-0000	-	EX
937	17-29-402-033-0000	-	RR
938	17-29-402-034-0000	-	RR
939	17-29-402-035-0000	-	EX
940	17-29-403-005-0000	1,136	
941	17-29-403-006-0000	1,136	
942	17-29-403-007-0000	966	
943	17-29-403-008-0000	966	
944	17-29-403-009-0000	966	
945	17-29-403-010-0000	966	
946	17-29-403-011-0000	966	
947	17-29-403-012-0000	966	
948	17-29-403-013-0000	2,016	
949	17-29-403-014-0000	-	EX
950	17-29-403-015-0000	-	EX
951	17-29-403-016-0000	-	EX
952	17-29-403-017-0000	-	EX
953	17-29-403-018-0000	-	EX
954	17-29-403-019-0000	-	EX
955	17-29-403-020-0000	-	EX
956	17-29-403-029-0000	1,069	
957	17-29-403-030-0000	1,069	
958	17-29-403-031-0000	1,069	
959	17-29-403-032-0000	1,069	
960	17-29-403-033-0000	1,069	
961	17-29-403-034-0000	1,069	
962	17-29-403-035-0000	1,069	
963	17-29-403-036-0000	1,069	
964	17-29-403-041-0000	-	EX
965	17-29-403-042-0000	-	EX
966	17-29-403-043-0000	-	EX

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
967	17-29-403-044-0000	-	EX
968	17-29-403-048-0000	-	EX
969	17-29-403-049-0000	3,346	
970	17-29-403-050-0000	-	EX
971	17-29-403-051-0000	-	EX
972	17-29-403-052-0000	-	RR
973	17-29-403-053-0000	-	RR
974	17-29-404-001-0000	1,242	
975	17-29-404-002-0000	1,242	
976	17-29-404-003-0000	1,242	
977	17-29-404-004-0000	1,491	
978	17-29-404-016-0000	-	EX
979	17-29-404-017-0000	-	EX
980	17-29-404-018-0000	-	EX
981	17-29-404-021-0000	-	EX
982	17-29-404-022-0000	1,799	
983	17-29-404-023-0000	10,309	
984	17-29-404-024-0000	7,933	
985	17-29-404-025-0000	413	
986	17-29-404-026-0000	-	EX
987	17-29-404-028-0000	7,654	
988	17-29-404-029-0000	3,598	
989	17-29-404-030-0000	5,211	
990	17-29-404-031-0000	-	EX
991	17-29-404-032-0000	-	RR
992	17-29-405-001-0000	312,126	
993	17-29-405-008-0000	694,592	
994	17-29-405-010-0000	50,460	
995	17-29-405-011-0000	-	RR
996	17-29-405-012-0000	7,987	
997	17-29-405-013-0000	25,937	
998	17-29-405-014-0000	-	RR
999	17-29-405-015-8001	-	EX
1000	17-29-405-015-8002	8,781	
1001	17-29-405-017-0000	70,244	
1002	17-29-405-018-0000	-	EX
1003	17-29-405-019-0000	420	
1004	17-29-405-020-0000	-	EX
1005	17-29-405-021-0000	5,231	
1006	17-29-406-001-0000	286,996	
1007	17-29-406-002-0000	-	EX
1008	17-29-407-002-0000	-	RR
1009	17-29-407-003-0000	-	RR
1010	17-29-407-005-0000	-	RR
1011	17-29-407-006-0000	-	EX
1012	17-29-407-007-0000	-	EX

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1013	17-29-407-008-0000	3,131	
1014	17-29-407-009-0000	6,264	
1015	17-29-407-010-0000	3,131	
1016	17-29-407-011-0000	3,131	
1017	17-29-407-012-0000	3,131	
1018	17-29-407-013-0000	3,131	
1019	17-29-407-014-0000	3,172	
1020	17-29-407-015-0000	3,030	
1021	17-29-407-017-0000	-	RR
1022	17-29-407-018-0000	12,247	
1023	17-29-407-019-0000	-	RR
1024	17-29-407-020-0000	-	RR
1025	17-29-407-021-0000	16,736	
1026	17-29-414-001-0000	18,119	
1027	17-29-414-002-0000	2,935	
1028	17-29-414-003-0000	21,922	
1029	17-29-414-004-0000	18,905	
1030	17-29-414-005-0000	33,345	
1031	17-29-414-030-0000	16,428	
1032	17-29-414-031-0000	65,283	
1033	17-29-414-032-0000	145,455	
1034	17-29-414-069-0000	-	EX
1035	17-29-415-001-0000	693	
1036	17-29-415-002-0000	56,521	
1037	17-29-415-003-0000	56,482	
1038	17-29-415-004-0000	27,322	
1039	17-29-415-005-0000	-	EX
1040	17-29-416-011-0000	96,827	
1041	17-29-416-012-0000	112,319	
1042	17-29-416-013-0000	748,312	
1043	17-29-416-014-0000	-	EX
1044	17-29-416-016-0000	-	EX
1045	17-29-416-017-0000	26,802	
1046	17-29-416-018-0000	46,709	
1047	17-29-417-003-0000	305,905	
1048	17-29-417-004-0000	437	
1049	17-29-417-018-0000	3,413	
1050	17-29-417-019-0000	4,200	
1051	17-29-500-001-0000	-	RR
1052	17-29-500-002-0000	-	RR
1053	17-29-500-018-0000	-	RR
1054	17-29-500-024-0000	-	RR
1055	17-29-500-025-0000	-	RR
1056	17-29-500-026-0000	-	RR
1057	17-29-500-027-0000	-	RR
1058	17-29-500-030-0000	-	EX

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1059	17-29-500-031-0000	-	RR
1060	17-29-500-032-0000	-	RR
1061	17-29-500-033-0000	-	RR
1062	17-30-112-027-0000	35.572	
1063	17-30-112-028-0000	25.577	
1064	17-30-112-029-0000	21.633	
1065	17-30-112-030-0000	24.179	
1066	17-30-112-031-0000	21.562	
1067	17-30-112-032-0000	23.557	
1068	17-30-112-033-0000	23.873	
1069	17-30-112-034-0000	41.917	
1070	17-30-112-037-0000	-	EX
1071	17-30-112-039-0000	-	EX
1072	17-30-112-040-0000	-	EX
1073	17-30-115-040-0000	81.638	
1074	17-30-115-041-0000	6.533	
1075	17-30-115-042-0000	28.338	
1076	17-30-115-043-0000	32.643	
1077	17-30-115-044-0000	16.706	
1078	17-30-115-045-0000	54.309	
1079	17-30-115-046-0000	25.485	
1080	17-30-115-047-0000	20.803	
1081	17-30-115-048-0000	22.348	
1082	17-30-115-049-0000	22.573	
1083	17-30-116-001-0000	99.439	
1084	17-30-116-007-0000	44.116	
1085	17-30-116-008-0000	12.846	
1086	17-30-116-009-0000	20.882	
1087	17-30-116-010-0000	35.221	
1088	17-30-116-011-0000	13.960	
1089	17-30-116-012-0000	20.050	
1090	17-30-116-013-0000	25.541	
1091	17-30-116-014-0000	17.612	
1092	17-30-116-015-0000	33.672	
1093	17-30-116-016-0000	16.717	
1094	17-30-116-017-0000	22.625	
1095	17-30-116-018-0000	42.145	
1096	17-30-119-034-0000	22.173	
1097	17-30-119-035-0000	16.867	
1098	17-30-119-036-0000	17.876	
1099	17-30-119-037-0000	16.831	
1100	17-30-119-038-0000	12.499	
1101	17-30-119-039-0000	52.708	
1102	17-30-119-040-0000	20.319	
1103	17-30-119-041-0000	14.690	
1104	17-30-119-042-0000	2.158	

**Exhibit III****1996 Estimated EAV by Tax Parcel****The Pilsen Redevelopment Project Area**

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1105	17-30-120-025-0000	19,527	
1106	17-30-120-026-0000	10,972	
1107	17-30-120-027-0000	30,838	
1108	17-30-120-028-0000	17,993	
1109	17-30-120-031-0000	25,952	
1110	17-30-120-032-0000	7,671	
1111	17-30-120-033-0000	7,671	
1112	17-30-120-034-0000	1,289	
1113	17-30-120-035-0000	8,084	
1114	17-30-120-036-0000	51,357	
1115	17-30-121-020-0000	499	
1116	17-30-121-021-0000	52,889	
1117	17-30-121-027-0000	24,544	
1118	17-30-121-028-0000	3,871	
1119	17-30-121-029-0000	7,137	
1120	17-30-121-030-0000	28,443	
1121	17-30-121-035-0000	-	EX
1122	17-30-121-036-0000	101,769	
1123	17-30-122-001-0000	12,452	
1124	17-30-122-002-0000	805	
1125	17-30-122-003-0000	1,934	
1126	17-30-122-004-0000	1,934	
1127	17-30-122-005-0000	1,934	
1128	17-30-122-006-0000	1,934	
1129	17-30-122-007-0000	1,934	
1130	17-30-122-008-0000	1,934	
1131	17-30-122-009-0000	1,934	
1132	17-30-122-010-0000	3,871	
1133	17-30-122-011-0000	1,934	
1134	17-30-122-012-0000	1,934	
1135	17-30-122-013-0000	321	
1136	17-30-122-014-0000	71,015	
1137	17-30-122-015-0000	62,068	
1138	17-30-122-016-0000	62,068	
1139	17-30-122-017-0000	5,547	
1140	17-30-122-018-0000	2,356	
1141	17-30-122-019-0000	35,329	
1142	17-30-122-020-0000	3,828	
1143	17-30-122-021-0000	56,702	
1144	17-30-122-022-0000	119,749	
1145	17-30-122-023-0000	-	EX
1146	17-30-122-024-0000	-	EX
1147	17-30-122-025-0000	-	EX
1148	17-30-122-026-0000	-	EX
1149	17-30-122-027-0000	-	EX
1150	17-30-123-026-0000	20,794	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1151	17-30-123-027-0000	41,601	
1152	17-30-123-028-0000	23,501	
1153	17-30-123-029-0000	13,117	
1154	17-30-123-030-0000	2,576	
1155	17-30-123-031-0000	24,009	
1156	17-30-123-032-0000	2,410	
1157	17-30-123-034-0000	19,914	
1158	17-30-123-035-0000	2,903	
1159	17-30-123-036-0000	2,903	
1160	17-30-123-039-0000	18,507	
1161	17-30-123-040-0000	19,548	
1162	17-30-123-041-0000	17,928	
1163	17-30-123-042-0000	2,903	
1164	17-30-123-043-0000	16,587	
1165	17-30-123-044-0000	20,538	
1166	17-30-123-045-0000	15,626	
1167	17-30-123-046-0000	17,795	
1168	17-30-123-047-0000	19,987	
1169	17-30-123-048-0000	19,774	
1170	17-30-123-049-0000	17,052	
1171	17-30-123-050-0000	17,455	
1172	17-30-123-051-0000	10,064	
1173	17-30-123-052-0000	65,657	
1174	17-30-123-053-0000	12,669	
1175	17-30-123-054-0000	11,753	
1176	17-30-124-026-0000	24,516	
1177	17-30-124-027-0000	33,093	
1178	17-30-124-028-0000	26,589	
1179	17-30-124-029-0000	38,033	
1180	17-30-124-030-0000	38,033	
1181	17-30-124-031-0000	38,033	
1182	17-30-124-032-0000	38,033	
1183	17-30-124-033-0000	38,033	
1184	17-30-124-034-0000	38,033	
1185	17-30-124-035-0000	26,085	
1186	17-30-124-036-0000	146,542	
1187	17-30-124-037-0000	28,564	
1188	17-30-124-038-0000	15,071	
1189	17-30-124-039-0000	15,363	
1190	17-30-124-040-0000	21,614	
1191	17-30-124-041-0000	60,329	
1192	17-30-125-001-0000	419,297	
1193	17-30-126-001-0000	129,808	
1194	17-30-126-003-0000	198,882	
1195	17-30-126-004-0000	16,450	
1196	17-30-202-021-0000	48,310	

6/10/98

## REPORTS OF COMMITTEES

70601

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1197	17-30-202-022-0000	19,019	
1198	17-30-202-023-0000	18,569	
1199	17-30-202-024-0000	22,365	
1200	17-30-202-025-0000	2,903	
1201	17-30-202-026-0000	25,730	
1202	17-30-202-027-0000	2,903	
1203	17-30-202-028-0000	2,903	
1204	17-30-202-029-0000	2,903	
1205	17-30-202-030-0000	13,870	
1206	17-30-202-031-0000	20,155	
1207	17-30-202-032-0000	18,533	
1208	17-30-202-033-0000	2,903	
1209	17-30-202-034-0000	19,725	
1210	17-30-202-037-0000	2,903	
1211	17-30-202-038-0000	2,903	
1212	17-30-202-039-0000	21,947	
1213	17-30-202-040-0000	20,624	
1214	17-30-202-041-0000	23,365	
1215	17-30-202-042-0000	2,903	
1216	17-30-202-043-0000	2,903	
1217	17-30-202-044-0000	-	EX
1218	17-30-202-045-0000	19,938	
1219	17-30-202-046-0000	33,461	
1220	17-30-202-047-0000	5,805	
1221	17-30-203-001-0000	3,871	
1222	17-30-203-002-0000	15,185	
1223	17-30-203-003-0000	16,011	
1224	17-30-203-004-0000	33,429	
1225	17-30-203-005-0000	10,616	
1226	17-30-203-006-0000	65,842	
1227	17-30-203-007-0000	23,873	
1228	17-30-203-008-0000	22,535	
1229	17-30-203-009-0000	30,128	
1230	17-30-203-010-0000	3,845	
1231	17-30-203-011-0000	21,924	
1232	17-30-203-012-0000	20,650	
1233	17-30-203-013-0000	4,510	
1234	17-30-203-014-0000	7,791	
1235	17-30-203-015-0000	37,459	
1236	17-30-203-016-0000	13,760	
1237	17-30-203-017-0000	48,983	
1238	17-30-203-018-0000	56,794	
1239	17-30-203-019-0000	47,101	
1240	17-30-203-020-0000	36,149	
1241	17-30-203-021-0000	35,675	
1242	17-30-203-022-0000	35,479	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1243	17-30-204-021-0000	-	EX
1244	17-30-204-022-0000	-	EX
1245	17-30-206-045-0000	42,619	
1246	17-30-206-046-0000	4,839	
1247	17-30-206-047-0000	17,084	
1248	17-30-206-048-0000	36,019	
1249	17-30-206-049-0000	25,037	
1250	17-30-206-054-0000	53,685	
1251	17-30-206-055-0000	48,717	
1252	17-30-206-056-0000	39,684	
1253	17-30-206-057-0000	30,875	
1254	17-30-206-058-0000	30,875	
1255	17-30-206-059-0000	78,886	
1256	17-30-206-060-0000	41,097	
1257	17-30-206-061-0000	53,465	
1258	17-30-206-062-0000	53,465	
1259	17-30-206-063-0000	53,465	
1260	17-30-206-064-0000	53,465	
1261	17-30-206-065-0000	30,285	
1262	17-30-206-066-0000	116,170	
1263	17-30-206-069-0000	168,560	
1264	17-30-207-001-0000	11,806	
1265	17-30-207-002-0000	725	
1266	17-30-207-003-0000	11,456	
1267	17-30-207-004-0000	11,303	
1268	17-30-207-005-0000	18,072	
1269	17-30-207-006-0000	27,200	
1270	17-30-207-007-0000	719	
1271	17-30-207-008-0000	9,209	
1272	17-30-207-021-0000	3,731	
1273	17-30-207-022-0000	18,397	
1274	17-30-207-023-0000	2,903	
1275	17-30-207-024-0000	6,337	
1276	17-30-207-025-0000	28,749	
1277	17-30-207-026-0000	2,903	
1278	17-30-207-027-0000	52,035	
1279	17-30-207-028-0000	95,789	
1280	17-30-207-032-0000	71,019	
1281	17-30-207-033-0000	2,111	
1282	17-30-207-034-0000	21,704	
1283	17-30-207-035-0000	21,711	
1284	17-30-207-036-0000	2,111	
1285	17-30-207-037-0000	33,186	
1286	17-30-207-038-0000	20,568	
1287	17-30-207-039-0000	2,685	
1288	17-30-207-040-0000	18,563	

6/10/98

## REPORTS OF COMMITTEES

70603

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1289	17-30-207-041-0000	17,788	
1290	17-30-207-042-0000	19,144	
1291	17-30-207-043-0000	101,735	
1292	17-30-208-001-0000	772,916	
1293	17-30-208-002-0000	232,364	
1294	17-30-208-003-0000	323,413	
1295	17-30-208-004-0000	90,787	
1296	17-30-208-005-0000	171,148	
1297	17-30-208-006-0000	125,786	
1298	17-30-208-008-0000	53,881	
1299	17-30-208-009-0000	464,802	
1300	17-30-209-003-0000	21,616	
1301	17-30-209-007-0000	252,433	
1302	17-30-209-008-0000	45,952	
1303	17-30-209-012-0000	380,397	
1304	17-30-209-013-0000	252,752	
1305	17-30-209-014-0000	287,020	
1306	17-30-209-015-0000	535,659	
1307	17-30-209-016-0000	35,964	
1308	17-30-210-001-0000	422,415	
1309	17-30-210-009-0000	322,557	
1310	17-30-210-010-0000	196,771	
1311	17-30-210-012-0000	-	EX
1312	17-30-210-017-0000	160,704	
1313	17-30-210-018-0000	-	RR
1314	17-30-210-019-0000	18,264	
1315	17-30-210-020-0000	-	EX
1316	17-30-210-027-0000	2,156,524	
1317	17-30-210-032-0000	461,914	
1318	17-30-210-033-0000	-	EX
1319	17-30-210-034-0000	520,427	
1320	17-30-210-035-0000	295,893	
1321	17-30-210-037-0000	-	EX
1322	17-30-210-039-0000	68,945	
1323	17-30-210-041-0000	-	RR
1324	17-30-210-044-0000	46,565	
1325	17-30-210-045-0000	26,795	
1326	17-30-210-046-0000	308,321	
1327	17-30-210-047-0000	231,751	
1328	17-30-210-049-0000	19,419	
1329	17-30-210-050-0000	8,241	
1330	17-30-210-052-0000	273,914	
1331	17-30-210-056-0000	434,318	
1332	17-30-210-057-0000	173,750	
1333	17-30-210-058-0000	1,383,827	
1334	17-30-210-059-0000	681,304	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1335	17-30-210-060-0000	414,084	
1336	17-30-210-061-0000	-	RR
1337	17-30-210-062-0000	28,749	
1338	17-30-300-002-0000	-	RR
1339	17-30-300-003-0000	-	EX
1340	17-30-300-007-0000	554,405	
1341	17-30-300-011-0000	682,666	
1342	17-30-300-012-0000	185,834	
1343	17-30-300-013-0000	1,934,903	
1344	17-30-300-019-0000	1,276,644	
1345	17-30-300-021-0000	39,497	
1346	17-30-300-022-0000	784,757	
1347	17-30-300-024-0000	80,807	
1348	17-30-300-025-0000	419,239	
1349	17-30-300-027-0000	575,580	
1350	17-30-300-029-0000	700,064	
1351	17-30-300-030-0000	2,670	
1352	17-30-300-032-0000	5,095	
1353	17-30-300-035-0000	632,339	
1354	17-30-300-036-0000	1,361,611	
1355	17-30-300-037-0000	162,761	
1356	17-30-300-038-0000	18,599	
1357	17-30-300-039-0000	1,597	
1358	17-30-300-041-0000	33,136	
1359	17-30-300-042-0000	683,492	
1360	17-30-300-043-0000	3,129	
1361	17-30-300-045-0000	53,870	
1362	17-30-300-047-0000	-	EX
1363	17-30-300-048-0000	-	RR
1364	17-30-300-049-0000	-	RR
1365	17-30-300-050-0000	-	EX
1366	17-30-300-052-0000	-	EX
1367	17-30-300-053-0000	373,146	
1368	17-30-300-054-0000	-	EX
1369	17-30-300-055-0000	-	RR
1370	17-30-300-056-0000	13,577	
1371	17-30-300-057-0000	17,470	
1372	17-30-301-002-0000	-	EX
1373	17-30-301-004-0000	-	RR
1374	17-30-301-005-0000	-	RR
1375	17-30-301-006-0000	-	RR
1376	17-30-301-009-0000	3,419	
1377	17-30-301-011-0000	26,548	
1378	17-30-301-013-8001	-	EX
1379	17-30-301-013-8002	21,134	
1380	17-30-301-014-8001	-	EX

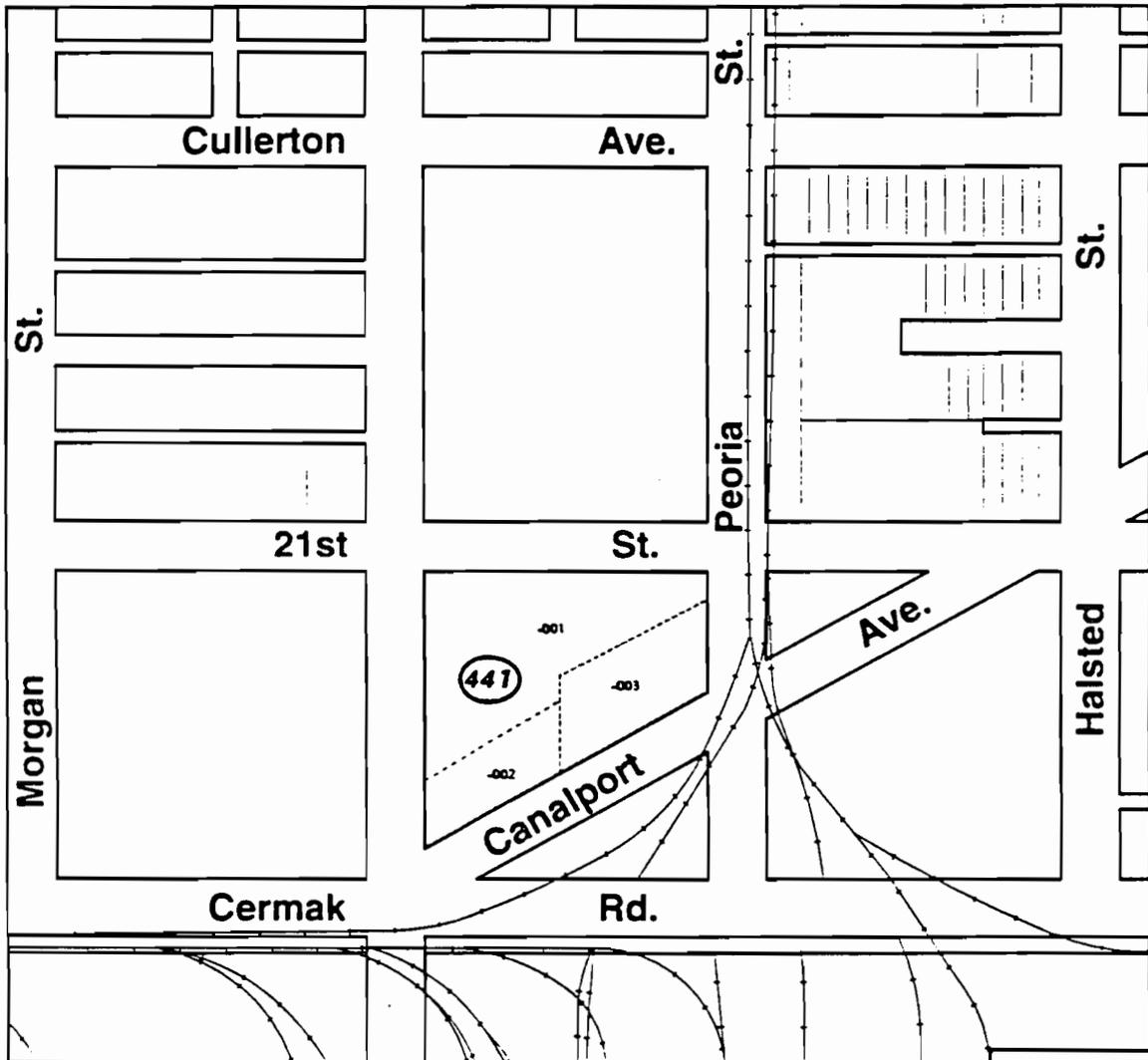
Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1381	17-30-301-014-8002	8.757	
1382	17-30-301-015-8001	-	EX
1383	17-30-301-015-8002	4	
1384	17-30-301-016-8001	-	EX
1385	17-30-301-016-8002	71.387	
1386	17-30-302-006-0000	154.189	
1387	17-30-302-018-0000	160.579	
1388	17-30-302-025-0000	613.534	
1389	17-30-302-026-0000	162.109	
1390	17-30-302-027-0000	42.365	
1391	17-30-302-028-0000	42.952	
1392	17-30-302-029-0000	79.742	
1393	17-30-302-030-0000	62.789	
1394	17-30-302-031-0000	221.186	
1395	17-30-302-032-0000	58.636	
1396	17-30-302-033-0000	74.158	
1397	17-30-400-003-0000	111.120	
1398	17-30-400-007-0000	-	EX
1399	17-30-400-008-0000	-	RR
1400	17-30-400-009-0000	-	RR
1401	17-30-400-010-8001	-	EX
1402	17-30-400-010-8002	125	
1403	17-30-400-010-8003	113.438	
1404	17-30-401-004-0000	-	RR
1405	17-30-401-005-0000	-	RR
1406	17-30-401-007-6001	-	RR
1407	17-30-401-008-0000	-	EX
1408	17-30-401-010-0000	-	EX
1409	17-30-401-011-0000	-	RR
1410	17-30-401-012-0000	-	EX
1411	17-30-401-013-0000	-	EX
1412	17-30-401-014-0000	-	RR
1413	17-30-500-001-0000	-	RR
1414	17-30-500-002-0000	-	RR
1415	17-30-500-003-0000	-	RR
1416	17-30-500-004-0000	-	RR
1417	17-30-500-005-0000	-	RR
1418	17-30-500-006-0000	-	RR
1419	17-30-502-001-0000	-	RR
1420	17-31-100-001-0000	-	RR
1421	17-31-100-002-0000	-	RR
1422	17-31-100-003-0000	-	RR
1423	17-31-100-004-0000	-	RR
1424	17-31-100-006-0000	213.905	
1425	17-31-100-007-0000	-	EX
1426	17-31-101-001-0000	298.051	

Count	PIN	Est. 1996 EAV	Rail Road or Exempt
1427	17-31-101-006-0000	316.700	
1428	17-31-101-007-0000	18.935	
1429	17-31-101-008-0000	4.497	
1430	17-31-101-009-0000	11.839	
1431	17-31-101-010-0000	30.625	
1432	17-31-101-011-0000	24	
1433	17-31-101-012-0000	62.866	
1434	17-31-101-013-0000	3.679	
1435	17-31-101-014-0000	318.574	
1436	17-31-101-015-0000	-	EX
1437	17-31-101-016-0000	48.353	
1438	17-31-102-007-0000	-	EX
1439	17-31-102-011-0000	-	EX
1440	17-31-102-014-0000	10.014	
1441	17-31-102-015-0000	-	EX
1442	17-31-102-016-0000	612.436	
1443	17-31-102-017-0000	23.957	
1444	17-31-102-018-0000	-	EX
1445	17-31-108-028-0000	268.532	
1446	17-31-200-040-0000	191.321	
1447	17-31-201-019-0000	-	EX
1448	17-31-201-020-0000	212.532	
1449	17-31-202-015-0000	-	EX
1450	17-31-202-016-0000	-	EX
1451	17-31-202-021-0000	-	EX
1452	17-31-202-022-0000	-	EX
1453	17-31-202-023-0000	-	EX
1454	17-31-203-003-0000	4.099	
1455	17-31-203-004-0000	4.099	
1456	17-31-203-005-0000	4.099	
1457	17-31-203-006-0000	3.978	
1458	17-31-203-007-0000	3.978	
1459	17-31-203-008-0000	5.930	
1460	17-31-203-009-0000	5.930	
1461	17-31-203-010-0000	32.923	
1462	17-31-203-011-0000	32.732	
1463	17-31-203-012-0000	131.854	
1464	17-31-203-013-0000	130.838	
1465	17-31-203-014-0000	5.203	
1466	17-31-203-015-0000	4.080	
1467	17-31-203-016-0000	4.125	
1468	17-31-203-017-0000	4.695	
1469	17-31-203-018-0000	4.695	
1470	17-31-203-019-0000	4.695	
1471	17-31-203-020-0000	4.695	
1472	17-31-203-021-0000	4.889	

<b>Count</b>	<b>PIN</b>	<b>Est. 1996 EAV</b>	<b>Rail Road or Exempt</b>
1473	17-31-203-022-0000	33,530	
1474	17-31-203-024-0000	8,043	
1475	17-31-203-025-0000	861,457	
1476	17-31-204-043-0000	-	EX
1477	17-31-204-045-0000	15,154	
1478	17-31-207-029-0000	78,731	
1479	17-31-207-030-0000	324,851	
1480	17-31-207-034-0000	43,241	
1481	17-31-207-036-0000	45,803	
1482	17-31-207-037-0000	60,618	
1483	17-31-207-038-0000	9,700	
1484	17-31-207-039-0000	22,395	
1485	17-31-208-008-0000	2,046	
1486	17-31-208-009-0000	67,817	
1487	17-31-208-012-0000	20,211	
1488	17-31-208-013-0000	132,824	
1489	17-31-208-015-0000	69,276	
1490	17-31-208-016-0000	12,082	
1491	17-31-208-017-0000	13,433	
1492	17-31-210-021-0000	193,634	
1493	17-31-210-022-0000	15,479	
1494	17-31-210-023-0000	86,399	
1495	17-31-500-001-0000	-	RR
1496	17-31-501-001-0000	-	RR
1497	17-31-502-002-0000	-	RR
<b>Total Estimated 1996 EAV</b>		<b>114,441,698</b>	

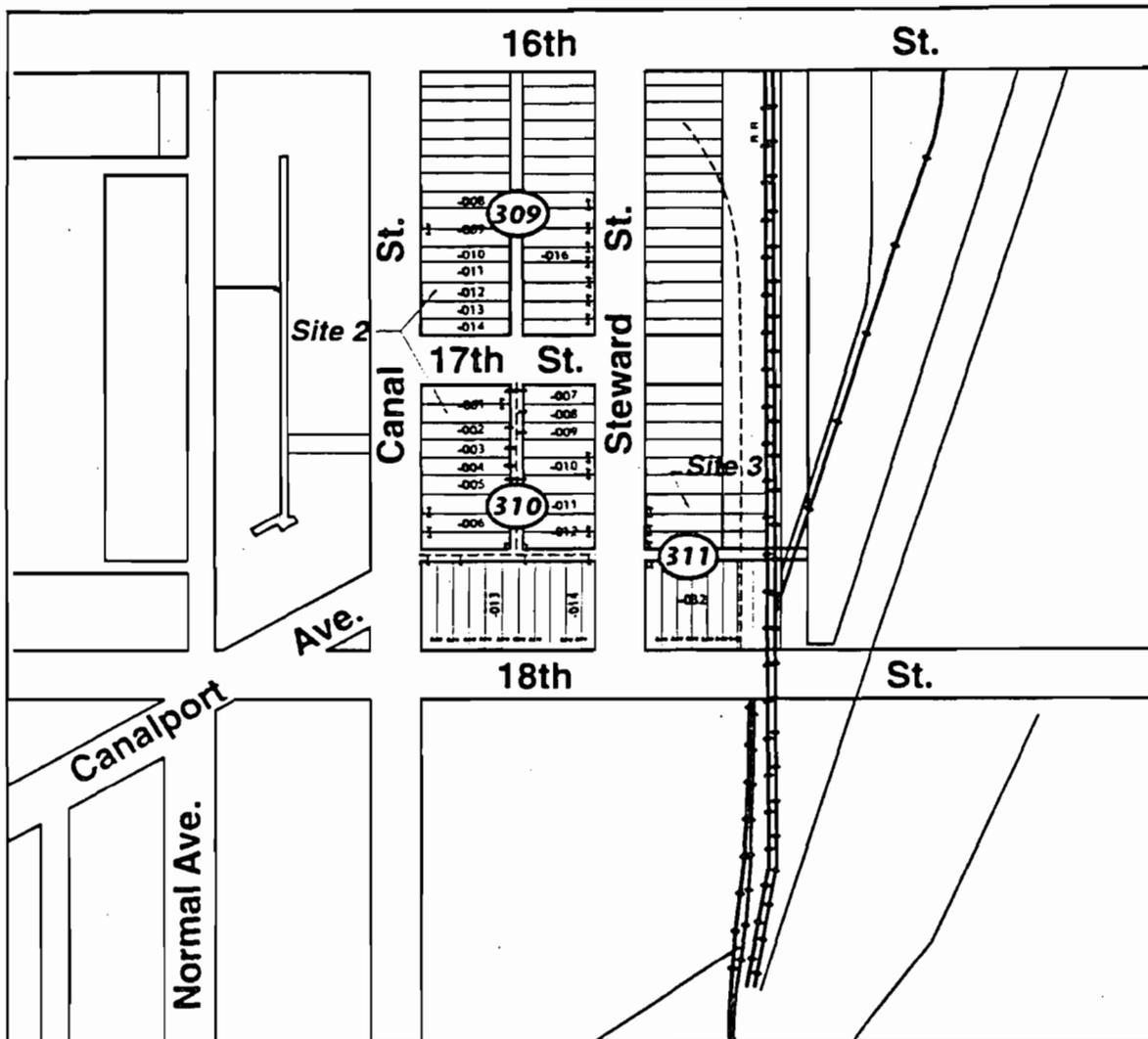
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4a - Site 1.



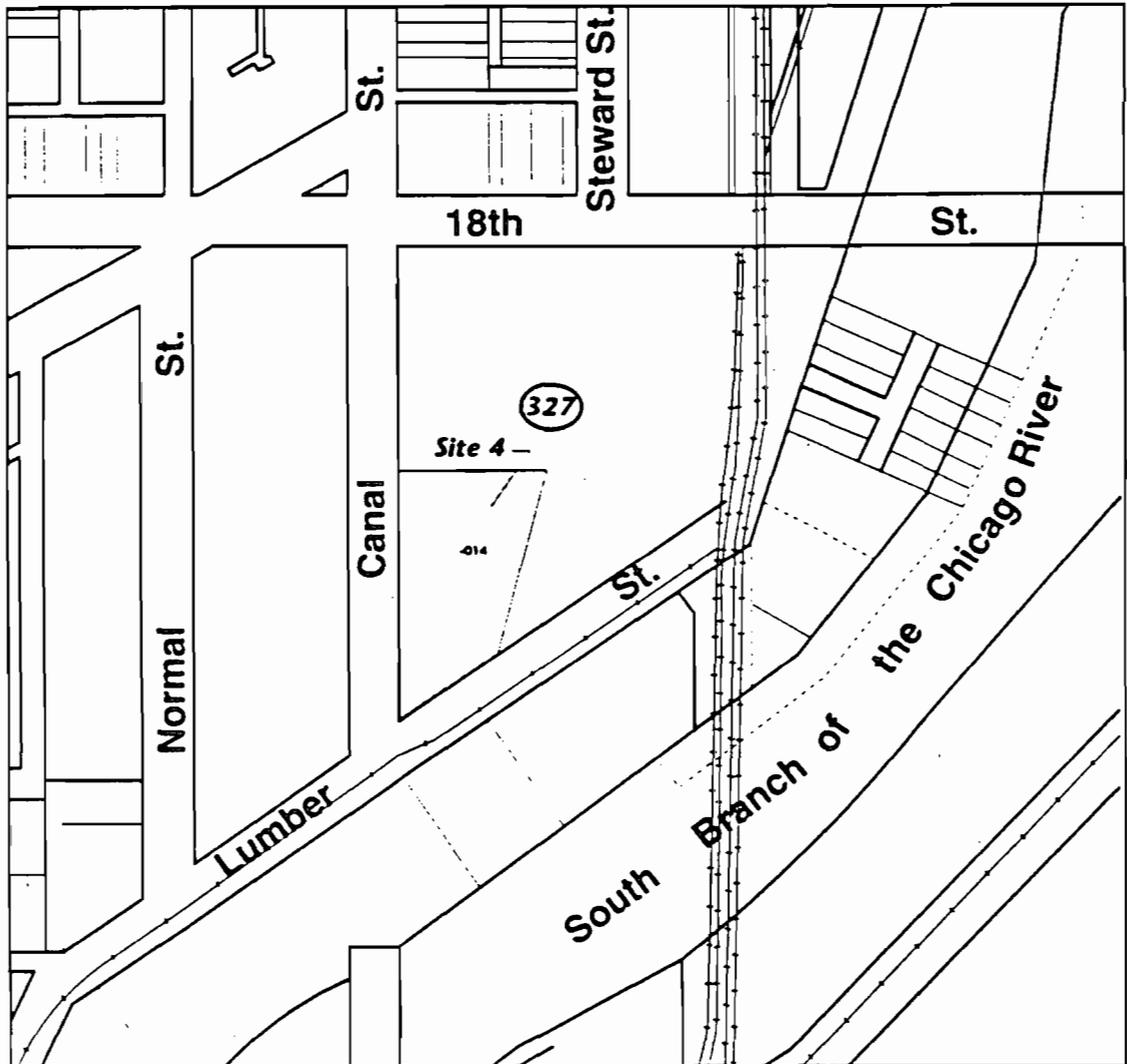
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4b - Sites 2 And 3.



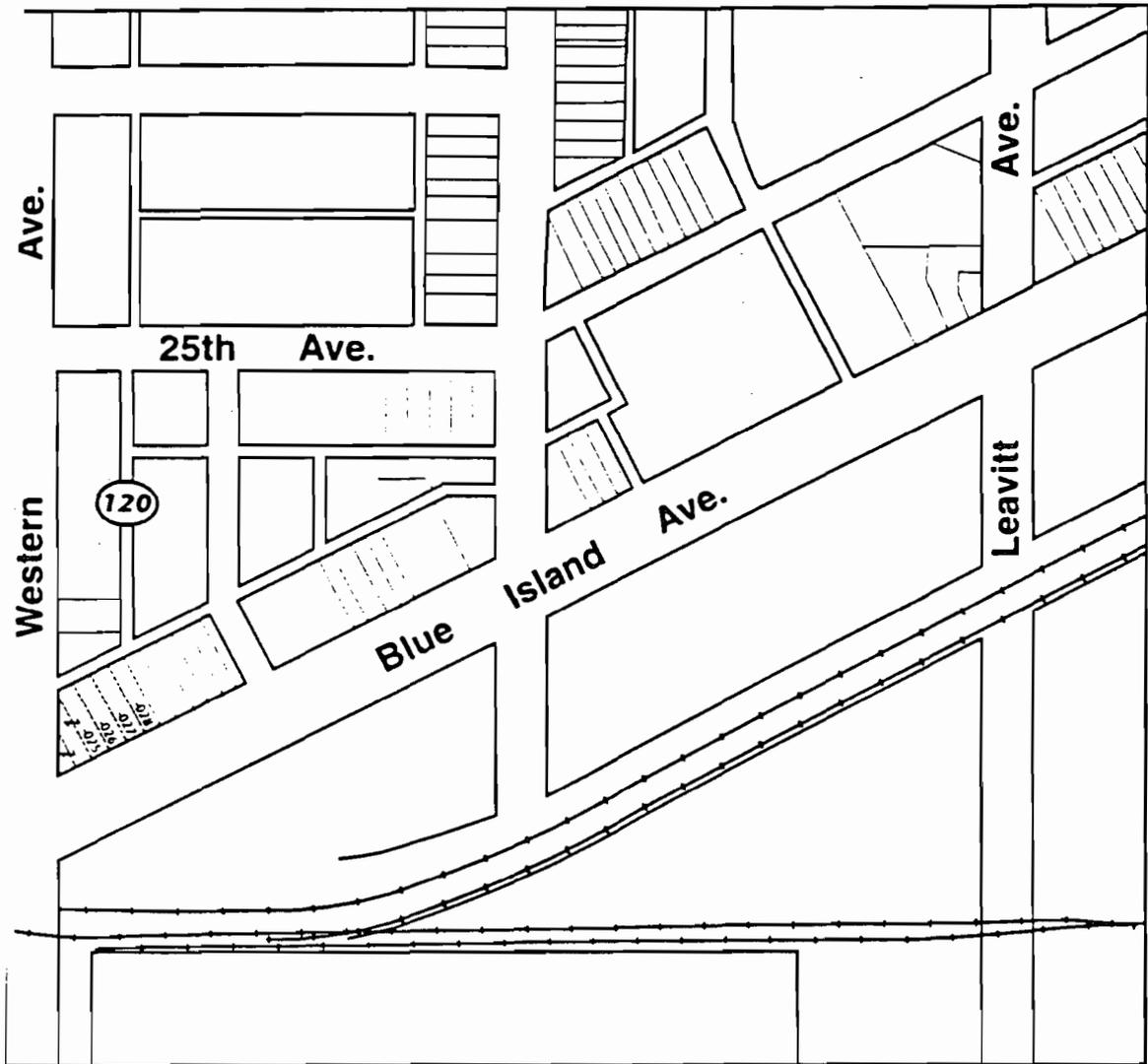
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4c - Site 4.



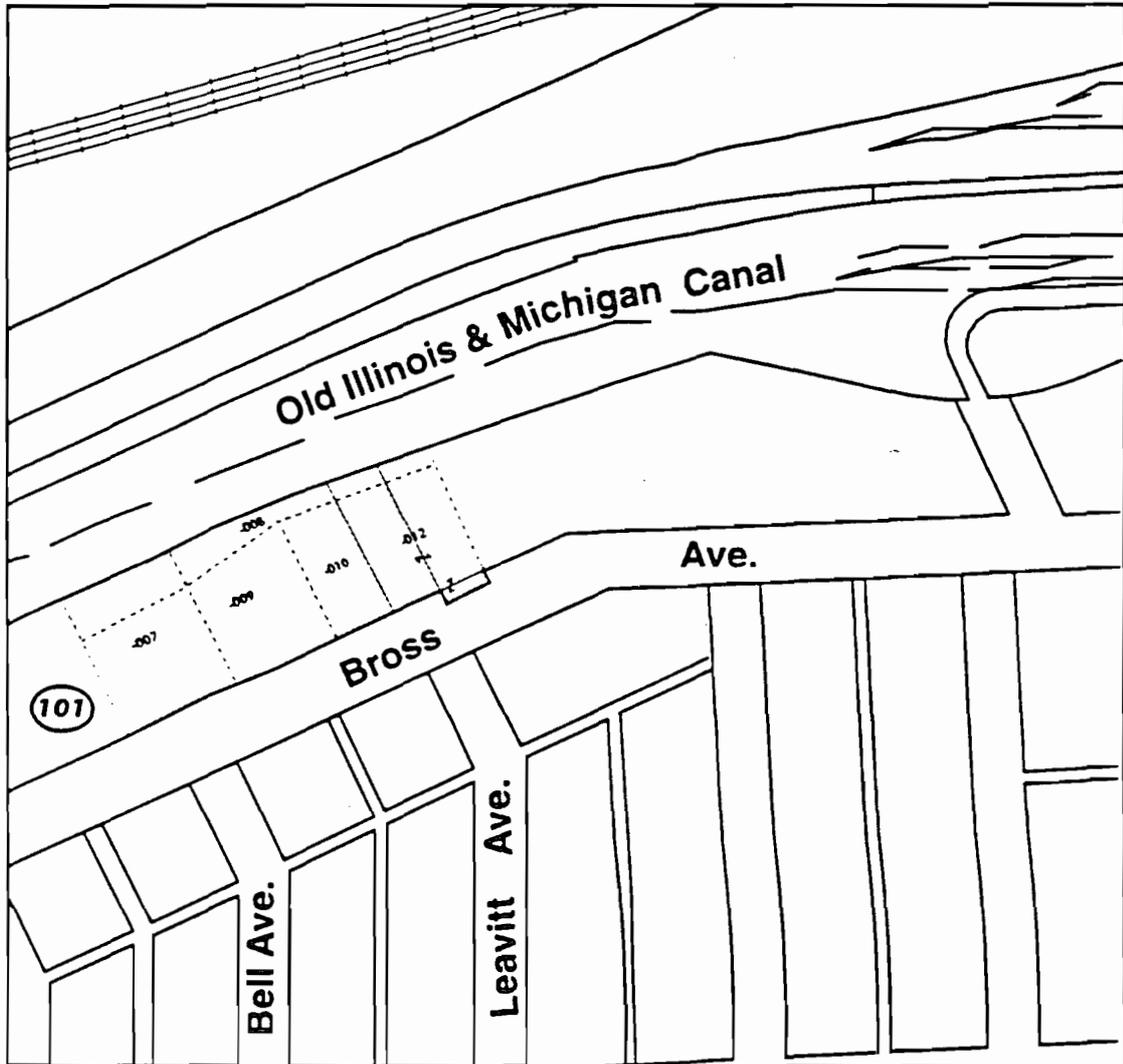
*(Sub)Exhibit IV.*  
*(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)*

*Land Acquisition By Block And Parcel Identification Number  
Figure 4d - Site 5.*



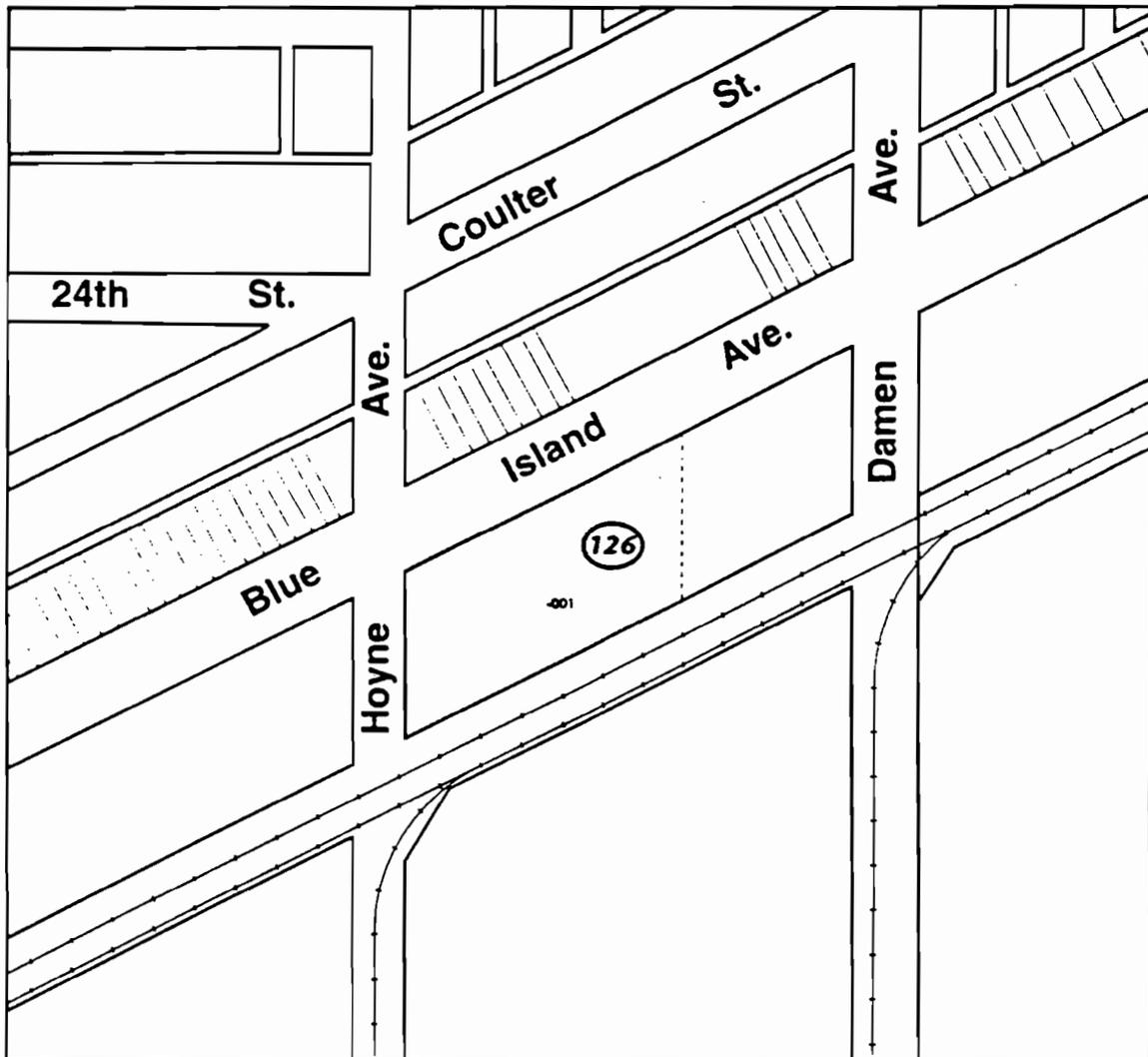
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4e - Site 6.



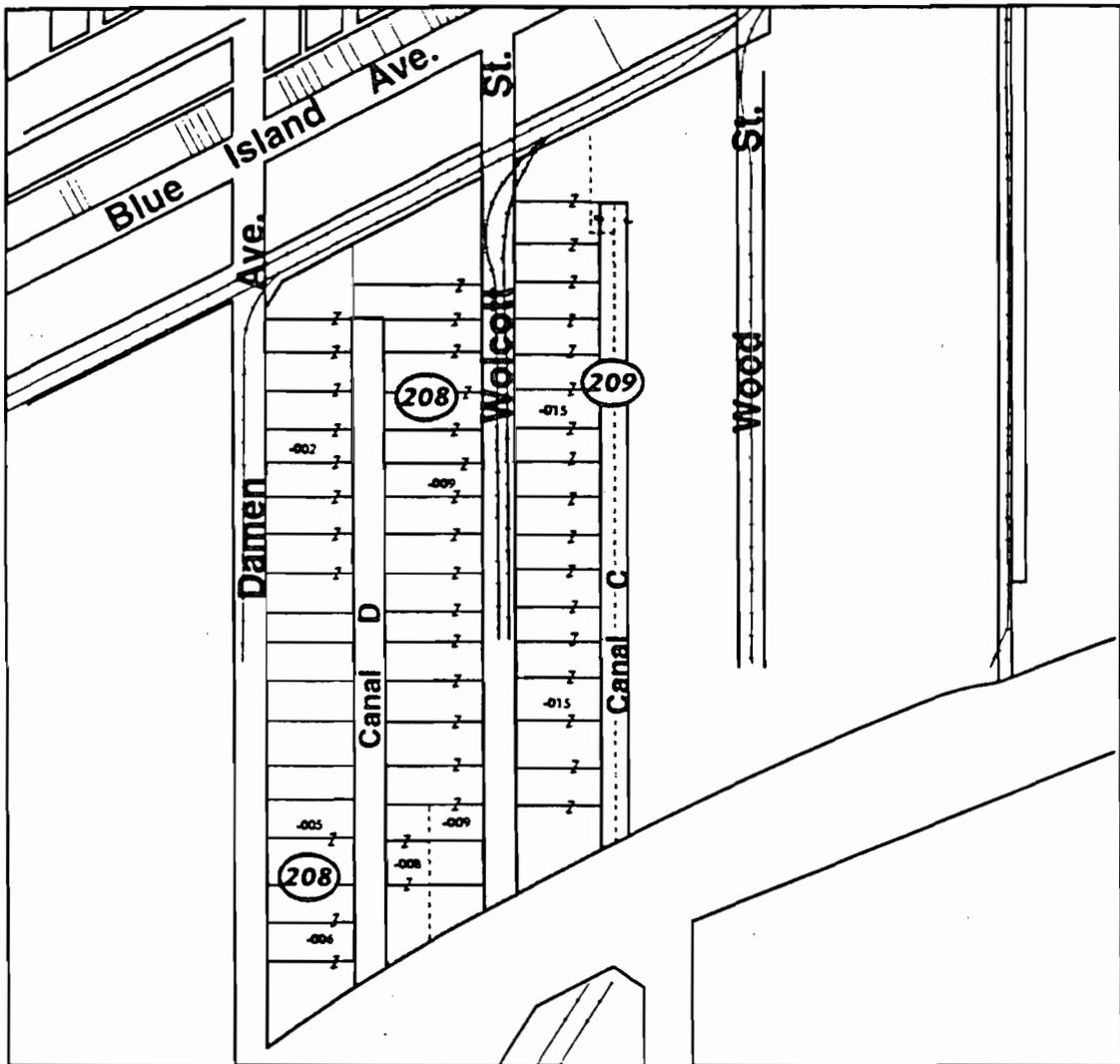
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4f - Site 7.



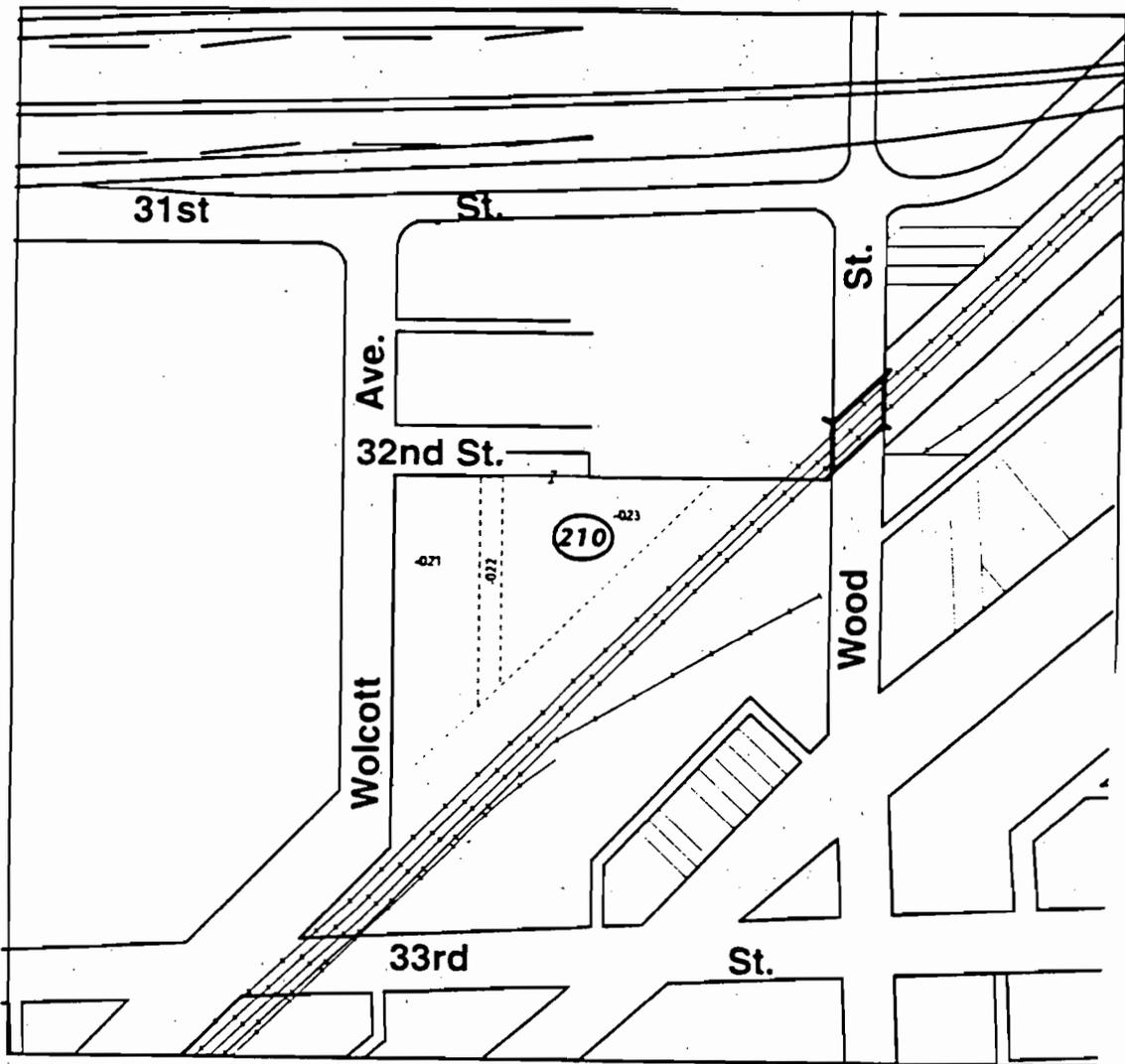
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4g - Site 8.



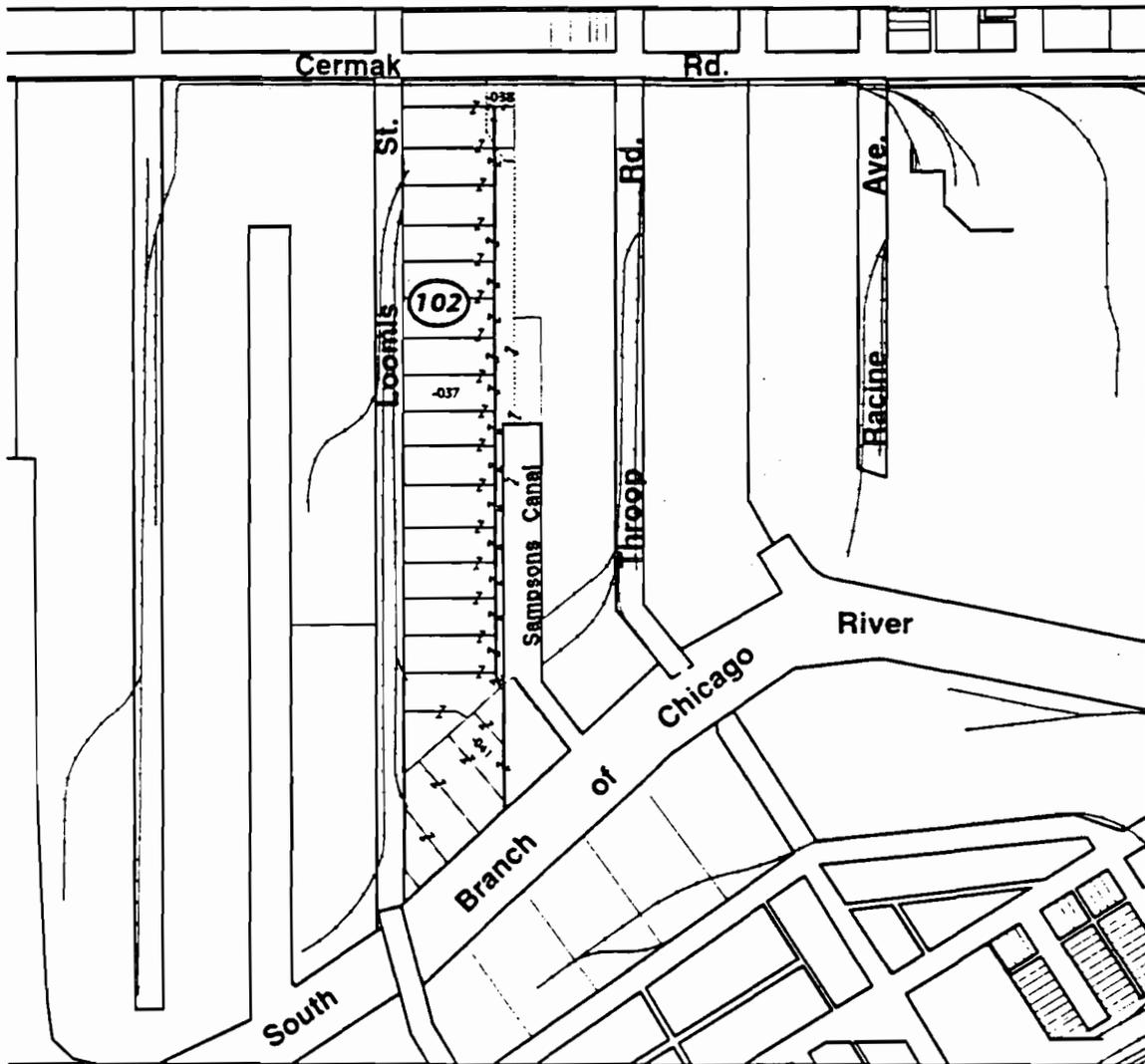
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4h. - Site 9.



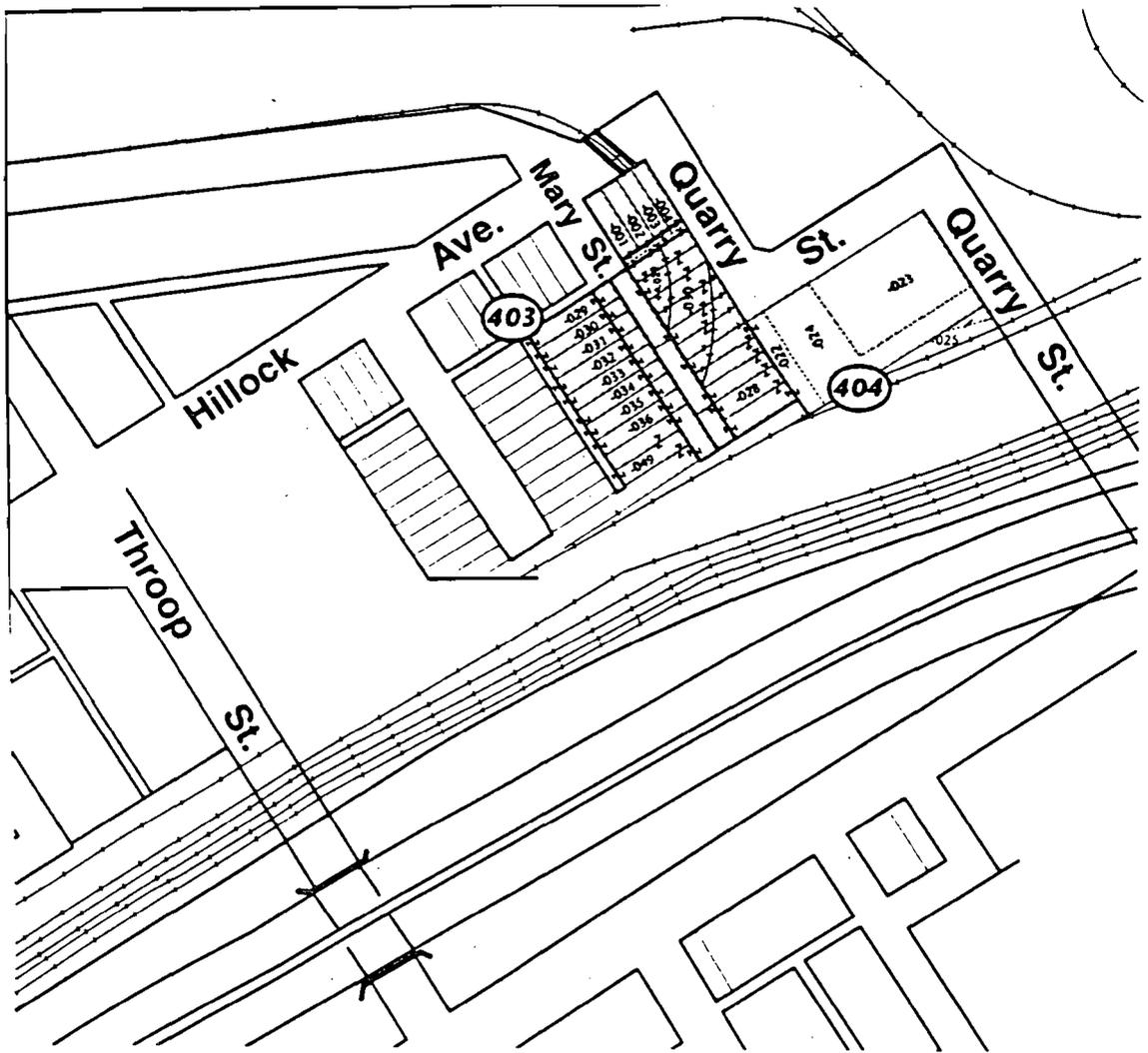
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4i - Site 10.



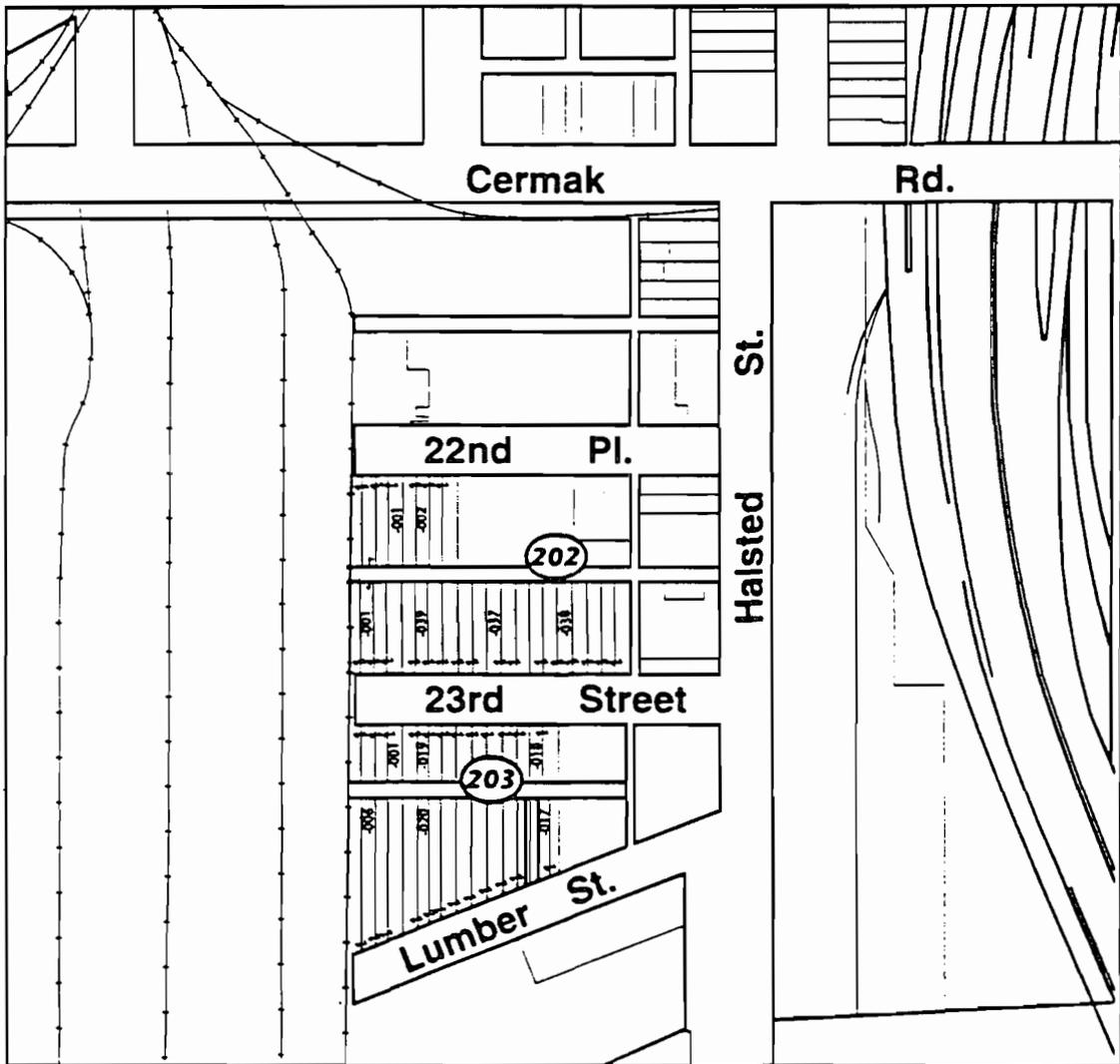
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4j - Site 11.



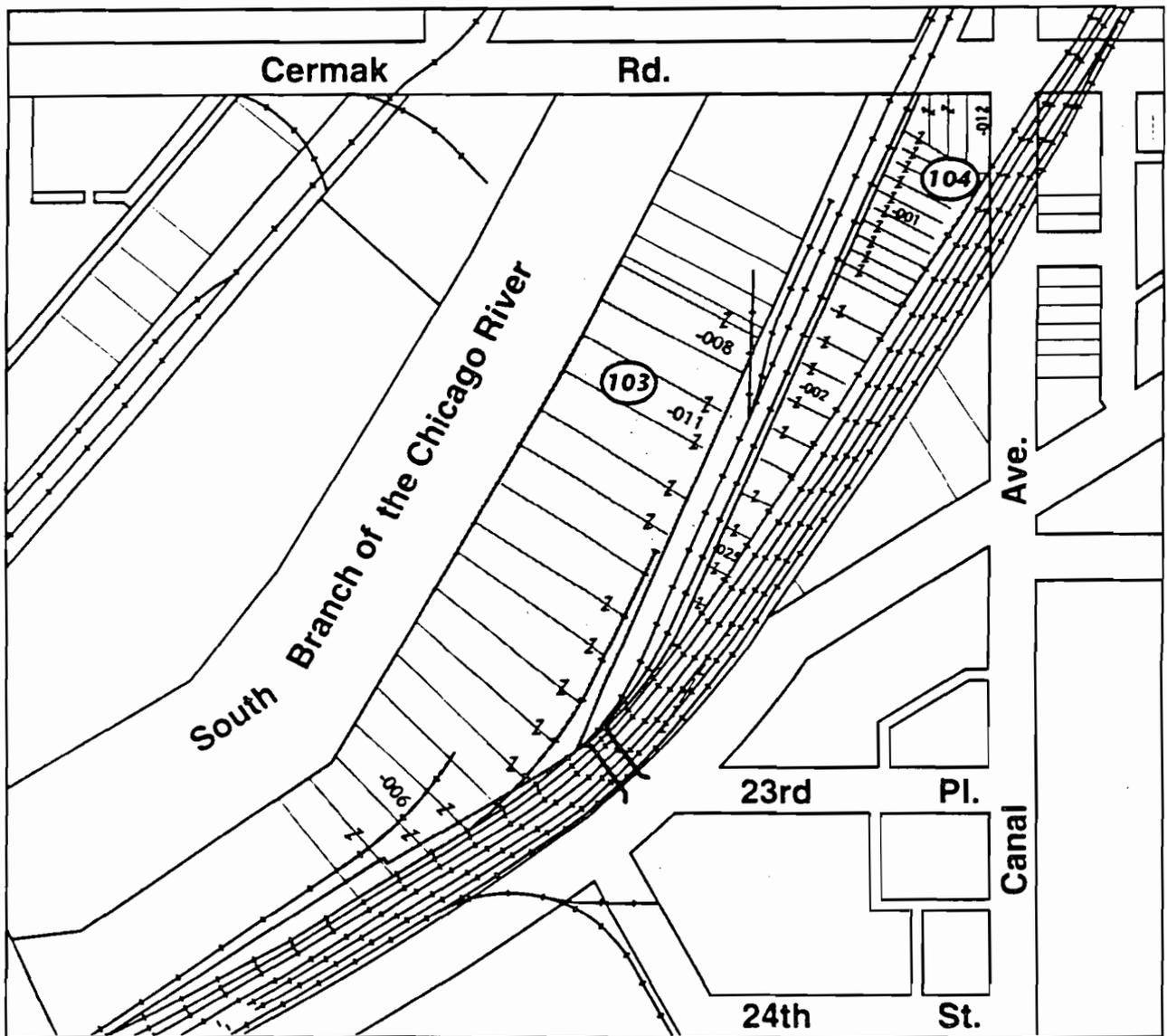
(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4k - Site 12.



(Sub)Exhibit IV.  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

Land Acquisition By Block And Parcel Identification Number  
Figure 4I - Site 13.



*(Sub)Exhibit V.*  
(To Pilsen Tax Increment Financing  
Redevelopment Project And Plan)

*Eligibility Study.*

## EXECUTIVE SUMMARY

The purpose of this study is to determine whether the Pilsen Redevelopment Project Area (the "Project Area") qualifies for designation as a "conservation area" or a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended.

The findings presented in this study are based on surveys and analyses conducted by Trkla, Perigrew, Allen & Payne, Inc. ("TPAP") and Andrew Heard and Associates, Ltd. and for the Project Area of approximately 907 acres located one mile southwest of the central business district of Chicago, Illinois.

TPAP has prepared this report with the understanding that the City would rely on (i) the findings and conclusions of this report in proceeding with the designation of the Project Area as a redevelopment project area under the Act, and (ii) the fact that TPAP has obtained the necessary information to conclude that the Project Area can be designated as a redevelopment project area in compliance with the Act.

The total Project Area consists of an area of 101 full and partial blocks. The area includes Pilsen's industrial corridor and the commercial areas along Ashland Avenue, Blue Island Avenue and Oakley Avenue. The total Project Area is generally bounded by Cullerton Avenue (between Ashland Avenue and Morgan Street) and 16th Street (between Morgan Street and Stewart Avenue) on the north. Stewart Avenue and the Chicago River on the east, the Stevenson Expressway and 33rd Street on the south. The western boundary is Western Avenue between Bross Avenue and Blue Island Avenue, Blue Island Avenue between Western Avenue and Cermak Road, and Ashland Avenue between Cermak Road and 21st Street.

The boundaries of the Project Area are shown in Figure 1, *Boundary Map*. A more detailed description of the Project Area is presented in *Section II, The Pilsen Avenue Project Area*.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, "conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50 percent or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of three or more of the following factors--dilatation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of

utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning--is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

As set forth in the Act, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of five or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by: (1) a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of way, or (5) the area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least five years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 or more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsections (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

While it may be concluded that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of conservation or blight, this evaluation was made on the basis that the conservation or blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of conservation or blighting factors throughout the study area must be reasonable so that basically good areas are not arbitrarily found to be conservation areas or blighted simply because of proximity to areas which are blighted.

On the basis of this approach, the Project Area is found to be eligible both as a blighted area and as a conservation area within the definitions set forth in the Act. In general, the Project Area can be divided into two parts: a) the "industrial district," which is determined to be a "blighted area" and is generally bounded by 16th Street on the north, Stewart Avenue and the Chicago River on the east, the Stevenson Expressway and 33rd Street on the south, and Western Avenue on the west; and b) the "commercial district," which is determined to be a "conservation area" and is located

along Ashland Avenue north of Cermak Road, Blue Island Avenue between Western Avenue and Laflin Street, and along Oakley Avenue between 23rd Place and 25th Street.

### **INDUSTRIAL DISTRICT - BLIGHTED AREA**

This portion of the Project Area includes all of the industrial areas, including mixed commercial and isolated residential properties and excludes the Ashland Avenue, Blue Island Avenue and Oakley Avenue commercial corridors. The industrial district also includes Perez Public School, located in a block adjacent to the industrial area. This entire industrial area is found to be eligible as a blighted area within the definition set forth in the Act. Specifically:

- Of the 14 blighting factors set forth in the Act for an "improved" blighted area, 10 are present in the industrial district of the Project Area. Nine factors (age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning) are present to a major extent and one factor (excessive land coverage) is present to a limited extent.
- The factors present are reasonably distributed throughout the industrial district of the Project Area.
- All blocks within the industrial district of the Project Area show the presence of blight factors.
- The industrial district of the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

### **THE COMMERCIAL DISTRICT - CONSERVATION AREA**

This portion of the Project Area includes several commercial corridors of the Pilsen Neighborhood and generally consists of the commercial frontage along Ashland Avenue, Blue Island Avenue and Oakley Avenue. The commercial district also includes a total of three schools, located in blocks adjacent to the commercial corridors to include: Benito Juarez High School, Whittier Elementary, and DeLa Cruz Specialty School. This commercial district is found to be eligible as a conservation area within the definition set forth in the Act. Specifically:

- 91 percent (152 buildings) of the 167 buildings in the commercial district of the Project Area are 35 years in age or older.
- Of the remaining 14 factors set forth in the Act for conservation areas, nine are present in the commercial district of the Project Area. Six factors (obsolescence, deterioration, structures below minimum code standards, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning) are present to a major extent. Three factors (dilapidation, excessive vacancies, and excessive land coverage) are present to a limited extent.
- The factors present are reasonably distributed throughout the commercial district of the Project Area.

- All blocks within the commercial district of the Project Area show the presence of the conservation factors.
- The commercial district of the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

## I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made two key findings in adopting the Act:

1. That there exists in many municipalities within the State blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that the presence of blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project qualifies either as a "blighted area" or as a "conservation area" within the definitions for each set forth in the Act (in Section 11-74.4-3). These definitions are described below.

### ELIGIBILITY OF A BLIGHTED AREA

A blighted area may be either improved or vacant. If the area is improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following 14 factors:

- Age
- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Overcrowding of structures and community facilities
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land-use or lay-out

- Depreciation of physical maintenance
- Lack of community planning.

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by one of the following criteria:

- A combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- The area immediately prior to becoming vacant qualified as a blighted improved area.
- The area consists of an unused quarry or unused quarries.
- The area consists of unused railyards, rail tracks or railroad rights-of-way.
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property which is included in or (is) in proximity to any improvement on real property which has been in existence for at least five years and which substantially contributes to such flooding.
- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

#### **ELIGIBILITY OF A CONSERVATION AREA**

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the 14 factors listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Abandonment
- Excessive vacancies

- Overcrowding of structures and community facilities
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land-use or lay-out
- Depreciation of physical maintenance
- Lack of community planning.

While the Act defines a blighted area and a conservation area, it does not define the various factors for each, nor does it describe what constitutes the presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable criteria should be developed to support each local finding that an area qualifies as either a blighted area or as a conservation area. In developing these criteria, the following principles have been applied:

1. The minimum number of factors must be present and the presence of each must be documented;
2. For a factor to be found present, it should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The factors should be reasonably distributed throughout the redevelopment project area.

It is also important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility be established for each and every property in the project area.

## **II. THE PILSEN REDEVELOPMENT PROJECT AREA**

The Project Area includes Pilsen's industrial corridor and the concentrated commercial areas along Ashland Avenue, Blue Island Avenue and Oakley Avenue. The industrial district is generally bounded by 16th Street on the north; Stewart Avenue, on the east; the Stevenson Expressway on the south; Western Avenue on the west; and Blue Island Avenue and the blocks fronting Cermak Road on the north. The commercial district includes the frontage of Ashland Avenue, from Cermak Road to 21st Street; Blue Island Avenue, between Western Avenue and Laflin Street; and Oakley Avenue, between 23rd Place and 25th Street and adjacent blocks containing schools along these commercial corridors.

The total Project Area contains 510 buildings and encompasses 907 acres, including street and alley rights of way, the South Branch of the Chicago River and related slip canals. The acreage is distributed as indicated in Table 1 below.

The commercial district of the Project Area consists of commercial block fronts dominated by turn-of-century buildings. Many of the buildings consist of two and three stories containing mixed commercial and residential uses with apartments above the first floor. This district includes a portion of several commercial streets of the Pilsen Neighborhood and services the day to day shopping needs of the area residents. The commercial district is dominated by a wide variety of small businesses with residential properties mixed in most blocks. The small businesses include: wholesale and retail trade and convenience commercial services, including a wide variety of auto related retail and service, restaurants, and a limited number of offices.

The commercial district is quite active with small businesses and stores and has very few vacancies. However, in spite of the high occupancy and activity rate, the commercial district is currently in need of revitalization. The commercial district is characterized by an aging housing stock, exhibiting physical depreciation and high density use, along with cluttered signage. To prevent further building deterioration, a general need for increased improvements and maintenance is required to sustain the area as a viable commercial district.

Figure 2, *Existing Generalized Land Use Map*, illustrates the general land use within the Project Area.

The industrial district of the Project Area consists of large industrial parcels along the north side of the South Branch of the Chicago River and shallow depth linear blocks along the south side of the river. A wide variety of industrial uses exist, dominated by warehousing, trucking terminals, scrap and related recycling yards, contracting yards, the Commonwealth Edison Power Plant site, several boat storage yards, a rail intermodal freight yard, metal manufacturing, and miscellaneous industrial activity. There is a significant amount of underutilized land in the area which contain numerous large and small vacant buildings which are predominantly industrial. The Project Area also contains a large quarry site in the southeast corner of the area along Halsted Street which is currently being filled. In the northern portion of the industrial area there are several blocks with residential frontage, including several school sites and a neighborhood park which are in conflict with adjacent industrial activity. Building deterioration, vacancies, poor streets, abandoned rail spurs, limited access, and widespread dumping and debris in vacant areas and in blocks along the river characterize most of the industrial district.

### **III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: IMPROVED AREAS**

An analysis was made of each of the conservation and blighted area eligibility factors listed in the

Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP and Andrew Heard & Associates included:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, curbs and gutters, lighting, 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 map;
5. Analysis of original and current platting and building size and layout;
6. Analysis of vacant sites and vacant buildings;
7. Analysis of building floor area and site coverage;
8. Analysis of building permits issued for the Project Area from 1/4/93 to 2/20/98;
9. Analysis of building code violations for the Project Area from 1/1/94 to 6/20/97;
10. Review of previously prepared plans, studies and data.

Figure 3 presents the survey form used to record the building conditions.

The following statement of findings is presented for each blight and conservation area factor listed in the Act. The conditions that exist and the relative extent to which each factor is present in the Project Area are described below.

A factor noted as not present indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist which document that the factor is present, but that the distribution or impact of the conservation or blight condition is limited. Finally, a factor noted as present to a major extent indicates that conditions exist which document that the factor is present throughout major portions of the block, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development.

What follows is the summary evaluation of age criteria and the 14 factors for a conservation area, and the 14 factors, including age, for an "improved" blighted area as applied to industrial district. The factors are presented in order of their listing in the Act.

## **A. AGE**

Age is a primary and prerequisite factor in determining an area's qualification for designation as a conservation area. Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time, temperature, moisture and level of maintenance over an extended period of years, structures which are 35 years or older typically exhibit more problems and require greater maintenance than more recently constructed buildings. Structures within the Project Area are some of the oldest buildings in the city, particularly the buildings along the commercial corridors in the commercial district, which date back to 1880's through the 1920's.

### **Conclusion**

#### **Industrial District**

Of the 343 buildings in the industrial district, 281, or 82 percent are 35 years in age or older. Age as a factor of blight is present to a major extent in the industrial district.

#### **Commercial District**

Of the 167 buildings in the commercial district, 152, or 91 percent are 35 years in age or older. The commercial district meets the conservation area prerequisite that more than 50 percent of the structures are 35 years of age or older.

Figure 4, *Age*, illustrates the location of all buildings in the Project Area which are more than 35 years of age.

## **B. DILAPIDATION**

Dilapidation refers to advanced disrepair of buildings and site improvements. Webster's New Collegiate Dictionary defines "dilapidate," "dilapidated" and "dilapidation" as follows:

- **Dilapidate**, "... to become or cause to become partially ruined and in need of repairs, as through neglect."
  - **Dilapidated**, "... falling to pieces or into disrepair; broken down; shabby and neglected."
  - **Dilapidation**, "... dilapidating or becoming dilapidated; a dilapidated condition."
-

To determine the existence of dilapidation, an assessment was undertaken of all buildings within the Project Area. The process used for assessing building conditions, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation are presented below.

The building condition analysis is based on an exterior inspection of all buildings undertaken during the months of May and June of 1997. Noted during the inspections were structural deficiencies in building components and related environmental deficiencies in the Project Area.

### **1. Building Components Evaluated**

During the field survey, each component of a building was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

#### Primary Structural

These include the basic elements of any building: foundation walls, load bearing walls and columns, roof and roof structure.

#### Secondary Components

These components are generally secondary to the primary structural components and are necessary parts of the building, including porches and steps, windows and window units, doors and door units, chimneys, gutters and downspouts.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building, and the effect that deficiencies in the various components have on the remainder of the building.

### **2. Building Rating Classifications**

Based on the evaluation of building components, each building was rated and classified into one of the following categories:

#### Sound

Buildings which contain no defects, are adequately maintained, and require no treatment outside of normal maintenance as required during the life of the building.

#### Deficient

Buildings which contain defects (loose or missing material or holes and cracks) over either limited or widespread areas which may or may not be correctable through the course of normal maintenance (depending on the size of the building or number of buildings in a large complex). Deficient buildings contain defects which, in the case of limited or minor defects, clearly indicate a lack of or a reduced level of maintenance. In the case of major defects, advanced defects are present over widespread areas would require major upgrading and significant investment to correct.

**Dilapidated**

Buildings which contain major defects in primary and secondary components over widespread areas. The defects are so serious and advanced that the building is considered to be substandard, requiring improvements or total reconstruction which may either be infeasible or difficult to correct.

**Conclusion****Industrial District**

Seventy buildings of the 343 buildings, situated in 30 of the 80 blocks containing buildings, are in substandard (dilapidated) condition. Dilapidation as a factor is present to a major extent in 13 blocks and to a limited extent in 17 blocks of the industrial district.

**Commercial District**

Thirteen of the 167 buildings are in substandard (dilapidated) condition. Dilapidation as a factor is present to a major extent in two blocks and to a limited extent in five blocks of the commercial district.

Figure 5, *Dilapidation*, illustrates the location of substandard buildings in the Project Area.

**C. OBSOLESCENCE**

Webster's New Collegiate Dictionary defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in a proposed redevelopment project area. In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

**Functional Obsolescence**

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

**Economic Obsolescence**

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values.

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated designs, etc.

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence.

### **1. Obsolete Building Types**

Functional or economic obsolescence in buildings, which limits their long-term use or reuse, is typically difficult and expensive to correct. Deferred maintenance, deterioration and vacancies often result, which can have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Characteristics observed in the obsolete buildings include the following:

- Small, narrow buildings with limited floor plates.
- Single purpose buildings designed for a specific use which are not easily adaptable or suited to other uses, including metal storage or butler-type industrial buildings including accessory buildings.
- Multi-story industrial buildings with inefficient or outdated mechanical systems, including the lack of central air conditioning, small elevators or the lack of freight elevators and limited lighting.
- Lack of or inadequate loading facilities.
- Buildings with single-pane windows and limited insulation, resulting in high energy loss.
- Lack of ADA (American Disability Act) access provisions at entry areas, elevators and in bathrooms.
- Residential buildings converted to accommodate additional units or converted or expanded to accommodate commercial activity.
- Long narrow storefronts with limited or lack of natural light, converted to dwelling units.

### **2. Obsolete Platting**

The Project Area was originally platted well before the turn of the century. Residential blocks outside of the industrial areas are platted in the typical grid pattern dominated by narrow parcels that are 25 feet wide or less. Platting in the large industrial blocks south of Cermak Road is not

consistent with present standards resulting in super blocks. These blocks are excessive in length and or depth with difficult access to properties. Overall, the platting within the Project Area is not consistent with modern day standards.

## **Conclusion**

### **Industrial District**

Obsolescence as a factor is present to a major extent in 35 blocks and to a limited extent in 22 blocks. One hundred twelve buildings are obsolete due to limited size, or single-purpose design which would be difficult and unfeasible to adapt to new uses, or consist of multi-story buildings with advanced age, deterioration, vacant space, outdated mechanical systems, maintenance difficulties, or are not easily adaptable to compete with newer buildings.

### **Commercial District**

Obsolescence as a factor is present to a major extent in four blocks and to a limited extent in 12 blocks. These include buildings of inadequate, limited size or shape for which they are being used or which have limited utility for alteration to accommodate other occupancies. Obsolescence also includes commercial storefront buildings converted to residential use with limited accommodation for light and ventilation.

Figure 6. *Obsolescence*, illustrates the location of obsolete buildings in the Project Area.

## **D. DETERIORATION**

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. Minor deficient and major deficient buildings are characterized by defects in the secondary building components (e.g., doors, windows, fire escapes, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, exterior walls, floors, roofs, etc.), respectively.

It should be noted that all buildings and site improvements classified as dilapidated are also deteriorated.

### **Deterioration of Buildings**

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." In the industrial district, of the total 343 buildings, 282, or 82 percent, are classified as deteriorating or deteriorated. In the commercial district, of the total 167 buildings, 123, or 74 percent, are classified as deteriorating or deteriorated.

Table 2. *Summary of Building Deterioration*, summarizes building deterioration within the blocks containing buildings in the Project Area.

### **Deterioration of Street Pavement, Alleys, Curbs, Gutters and Sidewalks**

Field surveys were conducted to identify the condition of streets, alleys, curbs, gutters and sidewalks in the Project Area. The majority of the streets contain poor pavement conditions, lack curbs or walks in most blocks, and are littered with debris and fly dumping.

### **Conclusion**

#### **Industrial District**

Deterioration as a factor is present to a major extent in 67 blocks and to a limited extent in six blocks. Deterioration includes deteriorating buildings, parking and site service areas, streets, curbs and gutters, sidewalks.

#### **Commercial District**

Deterioration as a factor is present to a major extent in 14 blocks and to a limited extent in six of the 21 blocks. Deterioration includes deteriorating buildings, parking and site service areas, streets, curbs and gutters, sidewalks.

Figure 7. *Deterioration*, illustrates deterioration within the built-up portions of the Project Area.

## **E. ILLEGAL USE OF INDIVIDUAL STRUCTURES**

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

### **Conclusion**

No illegal uses of individual structures were evident from the field surveys conducted.

## **E. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS**

Structures below minimum code standards include all structures which do not meet the standards of subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed so that they will be strong enough to support the loads expected, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

Determination of the presence of structures below minimum code standards was based upon visible defects and advanced deterioration of building components from the exterior surveys, which was then compared to the of City of Chicago's Building Code Violations for the Pilsen Area between 1/1/94 and 6/20/97.

### **Conclusion**

#### **Industrial District**

Existence of structures below minimum code standards is present to a major extent in 40 blocks and to a limited extent in 14 blocks affecting 167 of the 343 buildings. Advanced defects, which are below the minimum code standards, are visible on the exterior of these buildings.

#### **Commercial District**

Existence of structures below minimum code standards is present to a major extent in six blocks and to a limited extent in nine blocks affecting 110 of the 167 buildings. Advanced defects, which are below the minimum code standards, are visible on the exterior of these buildings.

Figure 8 illustrates the location of buildings below minimum code standards.

## **G. ABANDONMENT**

Abandonment as a factor applies only to conservation areas. Webster's New Collegiate Dictionary defines "abandonment" as "to give up with the intent of never again claiming one's right or interest"; or "to give over or surrender completely; to desert."

### **Conclusion**

Based on the analysis of properties within the commercial district of the Project Area, abandonment as a factor is not found to be present.

## **H. EXCESSIVE VACANCIES**

Excessive vacancies as a factor refers to the presence of buildings or sites which are either unoccupied or not fully utilized, and which exert an adverse influence on the surrounding area because of the frequency or duration of vacancies. Excessive vacancies include properties for which there is little expectation for future occupancy or utilization.

Excessive building vacancies are found throughout much of the entire Project Area. Vacancies include buildings which are entirely vacant and buildings with vacant floor areas. Vacancies are prevalent in both industrial buildings, including large multi-story warehouses, commercial buildings and residential buildings.

Information regarding vacancies in individual buildings was obtained from exterior building surveys conducted by TPAP and Andrew Heard & Associates. Vacancies were determined by the presence of a combination of the following factors: shuttered or gutted buildings, boarded buildings, obvious vacant units, or signs advertising building space available.

### **Conclusion**

#### **Industrial District**

Excessive vacancies as a factor is present to a major extent in 15 blocks and to a limited extent in 23 blocks and includes vacant buildings and vacant space within buildings.

#### **Commercial District**

Excessive vacancies as a factor is present to a limited extent in 11 blocks and includes vacant buildings and vacant space within buildings.

Figure 9. *Excessive Vacancies*, illustrates buildings in the Project Area which are 20 percent or more vacant.

## **I. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES**

Overcrowding of structures and community facilities refers to the utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings originally designed for a specific use and later converted to accommodate a more intensive use without adequate regard for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

**Conclusion**

No conditions of overcrowding of structures and community facilities have been documented as part of the exterior surveys undertaken within the Project Area.

**J. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES**

Lack of ventilation, light, or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, *e.g.*, residents, employees, or visitors.

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, *i.e.*, bathrooms, and rooms that produce dust, odor or smoke;
- Adequate natural light and ventilation by means of skylights or windows, proper window sizes, and adequate room area to window area ratios; and
- Adequate sanitary facilities, *i.e.*, garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

**Conclusion**

The factor of lack of ventilation, light, or sanitary facilities is not documented as part of the exterior surveys conducted for the Project Area.

**K. INADEQUATE UTILITIES**

Inadequate utilities refers to deficiencies in the capacity or condition of utilities which service a property or area, including, but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, gas and electricity.

**Conclusion**

No determination of existing utilities and conditions of inadequate utilities has been documented as part of the surveys and analyses undertaken within the Project Area.

**L. EXCESSIVE LAND COVERAGE**

Excessive land coverage refers to the over-intensive use of land and the crowding of buildings and accessory facilities on a site. Problem conditions include buildings either improperly situated on the

parcel or located on parcels of inadequate size and shape in relation to present-day standards for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of the spread of fires due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provisions for loading and service. Excessive land coverage has an adverse or blighting effect on nearby development.

### **Conclusion**

#### **Industrial District**

Excessive land coverage as a factor is present to a major extent in eight blocks and to a limited extent in seven blocks. Excessive land coverage includes parcels which exhibit inadequate space for off-street parking, loading and service due to the position or size of the buildings located on the parcel.

#### **Commercial District**

Excessive land coverage as a factor is present to a major extent in one block and to a limited extent in one block. Excessive land coverage includes parcels with multiple buildings, including rear buildings fronting on alleys and buildings which cover the site to an extent which allows limited or lack of off-street parking, loading and service.

Figure 10. *Excessive Land Coverage*, illustrates buildings and sites in the Project Area which exhibit excessive land coverage.

## **M. DELETERIOUS LAND-USE OR LAYOUT**

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed uses, and uses which may be considered noxious, offensive or otherwise environmentally unsuitable.

Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other nearby buildings.

Throughout much of the Project Area, there are blocks which contain a mixture of uses including residential uses located within commercial corridors, or residential uses in industrial areas or in close proximity to industrial blocks. Several enclaves of blocks with residential frontage are surrounded by industrial activity. The incompatible mix and resulting impact continues to have a negative affect in the area blocks where these conditions are present. Deleterious layout include the

inconsistent pattern of blocks with super blocks along the river and other large blocks. These blocks combined with active and inactive rail spurs, limited access to the interior of blocks and confusing interior circulation are additional impacts on the area.

## Conclusion

### Industrial District

Deleterious land use or layout includes incompatible uses and improper platting or layout of parcels or buildings in relation to proper orientation of structures on a property. Deleterious land use is present to a major extent in 12 blocks and to a limited extent in three blocks.

### Commercial District

Deleterious land use or layout includes incompatible uses and improper platting or layout of parcels or buildings in relation to proper orientation of structures on a property. Deleterious land use is present to a major extent in three blocks and to a limited extent in 10 blocks.

Figure 11, *Deleterious Land Use or Layout*, illustrates sites in the Project Area which exhibit deleterious land use or layout.

## N. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the deferred maintenance of buildings, parking areas and public improvements such as alleys, sidewalks and streets.

The presence of this factor within the Project Area includes:

- Buildings and Premises. In the industrial district, 282 of the 343 total buildings suffer from deferred maintenance of windows, doors, store fronts, exterior walls, cornices, fire escapes, porches and steps, loading docks, fascias gutters and downspouts and chimneys. In the commercial district, 123 of the 167 total buildings suffer from deferred maintenance as stated above. Yards and premises throughout much of the entire Project Area contain high weeds, deteriorated fencing, exposed junk storage, including junk cars, and debris.
- Streets, alleys, sidewalks, curbs and gutters. Deterioration of these improvements is widespread throughout the area's local interior streets. Pavement conditions are poor with pot holes, exposing the initial brick pavers and sections of curb and sidewalks are broken or missing. Fly dumping, including car tires, garbage bags, litter and debris is present on local streets near and under viaducts and along where streets terminate at the South Branch of the Chicago River. Most all of the underutilized and vacant land and parcels contain large amount of debris, high weeds and discarded refuse.

- Parking surface and site surface areas. Large parking areas within the industrial blocks contain only gravel surface with pot holes, weed growth and depressions. Industrial and commercial properties along major streets contain parking surface with either gravel or deteriorated asphalt and lack striping or bumper stops.

## **Conclusion**

### **Industrial District**

Depreciation of physical maintenance as a factor is present to a major extent throughout the entire industrial area. This includes deferred maintenance or lack of maintenance of buildings and premises, including surface parking and loading areas, streets, curbs, gutters, sidewalks and vacant or underutilized land areas filled with debris and weed growth.

### **Commercial District**

Depreciation of physical maintenance as a factor is present to a major extent throughout almost the entire commercial district except for the four blocks along the Oakley Avenue frontage, between Blue Island Avenue and 23rd Place.

Figure 12, *Depreciation of Physical Maintenance*, illustrates the presence of the factor in the built-up portions of the Project Area.

## **O. LACK OF COMMUNITY PLANNING**

The Project Area blocks were platted and buildings were constructed prior to the existence of a community plan. Industrial and commercial blocks were originally platted and developed on a parcel-by-parcel and building-by-building basis, with little evidence of coordination and planning among buildings and activities. The area contains both large and small blocks for industrial use, incompatible relationship with residential activity in several areas and, limited east-west access, to a majority of the industrial activity, including low viaduct clearance from the Archer Avenue side of the area. The lack of community planning prior to development has contributed to some of the problem conditions which characterize the overall Project Area.

## **Conclusion**

### **Industrial District**

Lack of community planning is present to a major extent throughout the entire industrial area. The irregular block size and pattern, limited interior street access, mix of industrial, commercial and residential areas, and building setbacks occurred without the benefit or guidelines of a community plan during the early development of the area. The factor of a lack of community planning is present to a major extent throughout the industrial district of the Project Area.

**Commercial District**

Lack of community planning is present to a major extent throughout the entire commercial district. The narrow lot size, placement of buildings, lack of adequate parking and provisions for loading and service, and the existence of residential properties mixed with commercial buildings, occurred on a building by building basis during the early development of these corridors without guidelines for building set backs, parking and loading standards as part of an overall community plan.

**IV. DETERMINATION OF PROJECT AREA ELIGIBILITY****INDUSTRIAL DISTRICT - BLIGHTED AREA**

The industrial district of the Project Area meets the requirements of the Act for designation as an improved "blighted area". There is a reasonable presence and distribution of 10 of the 14 factors listed in the Act for improved blighted areas. These blighting factors include the following.

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Structures below minimum code standards
6. Excessive vacancies
7. Excessive land coverage
8. Deleterious land-use or layout
9. Depreciation of physical maintenance
10. Lack of community planning

**COMMERCIAL DISTRICT - CONSERVATION AREA**

The commercial district of the Project Area meets the requirements of the Act for designation as a "conservation area." Over 50 percent of the buildings are 35 years in age or older. Of the total 167 buildings in the commercial district, 152 (or 91 percent) are 35 years of age or older.

In addition to age, there is a reasonable presence and distribution of nine of the 14 factors listed in the Act for conservation areas. These conservation factors include the following:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Structures below minimum code standards
5. Excessive vacancies
6. Excessive land coverage
7. Deleterious land use or layout
8. Depreciation of physical maintenance
9. Lack of community planning

The commercial district is not yet a blighted area but shows evidence of continuing deterioration and decline and may become a blighted area.

A summary of conservation and blight factors by block is contained in Table 3, *Distribution of Blighting Factors in Industrial District* and Table 4, *Distribution of Conservation Factors in Commercial District*.

The eligibility findings indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Project Area is deteriorating and declining. All factors indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.

[Figures 1 through 12(b) referred to in this Eligibility Study for  
Pilsen Tax Increment Financing Redevelopment Project  
and Plan printed on pages 70642 through  
70662 of this Journal.]

[Tables 1, 2, 3 and 4 referred to in this Eligibility Study for  
Pilsen Tax Increment Financing Redevelopment Project  
and Plan printed on pages 70663 through  
70670 of this Journal.]

Figure 1.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Boundary Map.

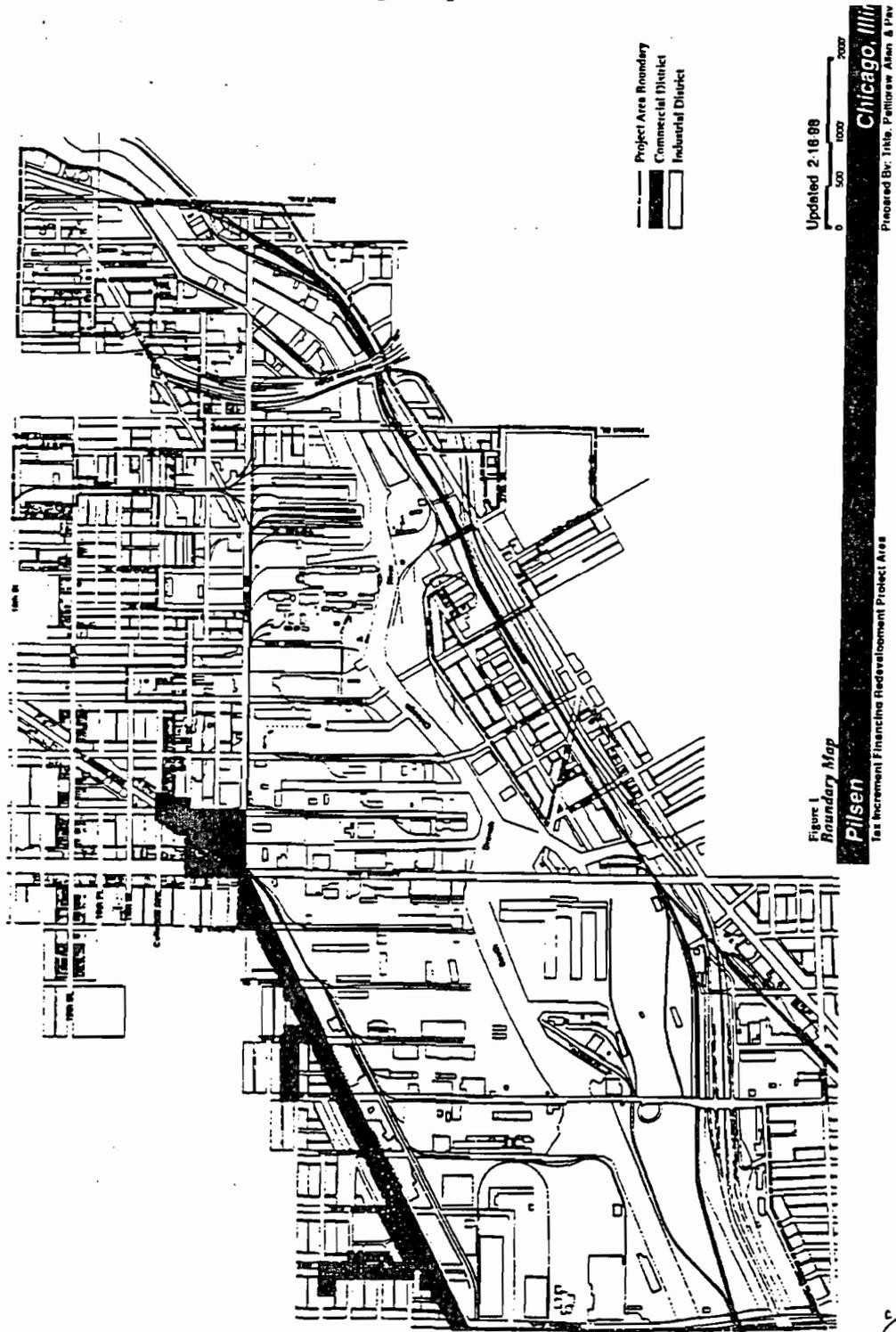


Figure 2.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Generalized Existing Land-Use.

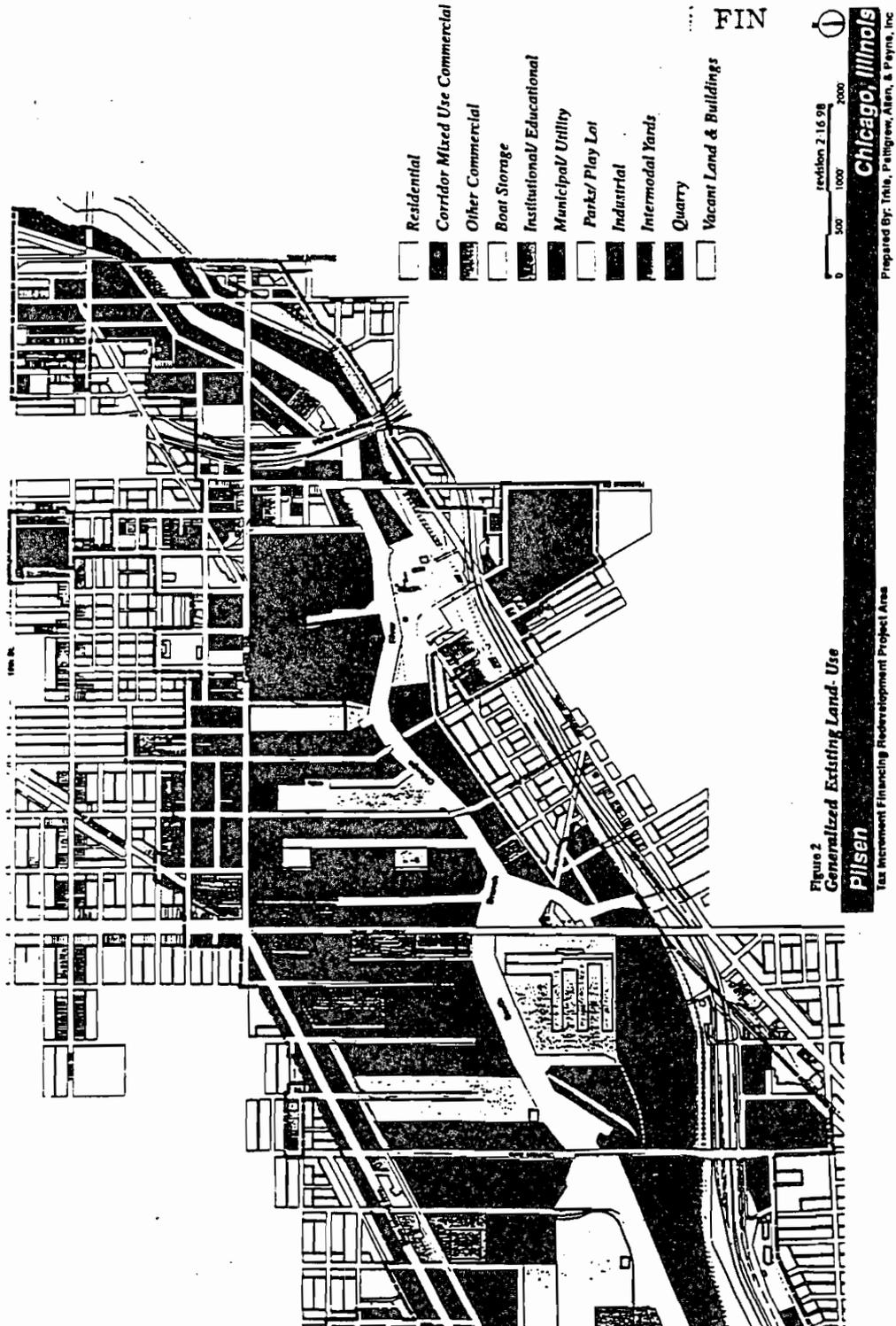


Figure 2  
Generalized Existing Land-Use  
Pilsen  
Tax Increment Financing Redevelopment Project Area

revision 2.16.98  
0 500 1000 2000  
Chicago, Illinois  
Prepared By: Taha, Patingrow, Allen, & Payne, Inc

Figure 3.
(To Eligibility Study For Pilsen Tax Increment
Financing Redevelopment Project And Plan)

Exterior Survey.

EXTERIOR BUILDING SURVEY FORM

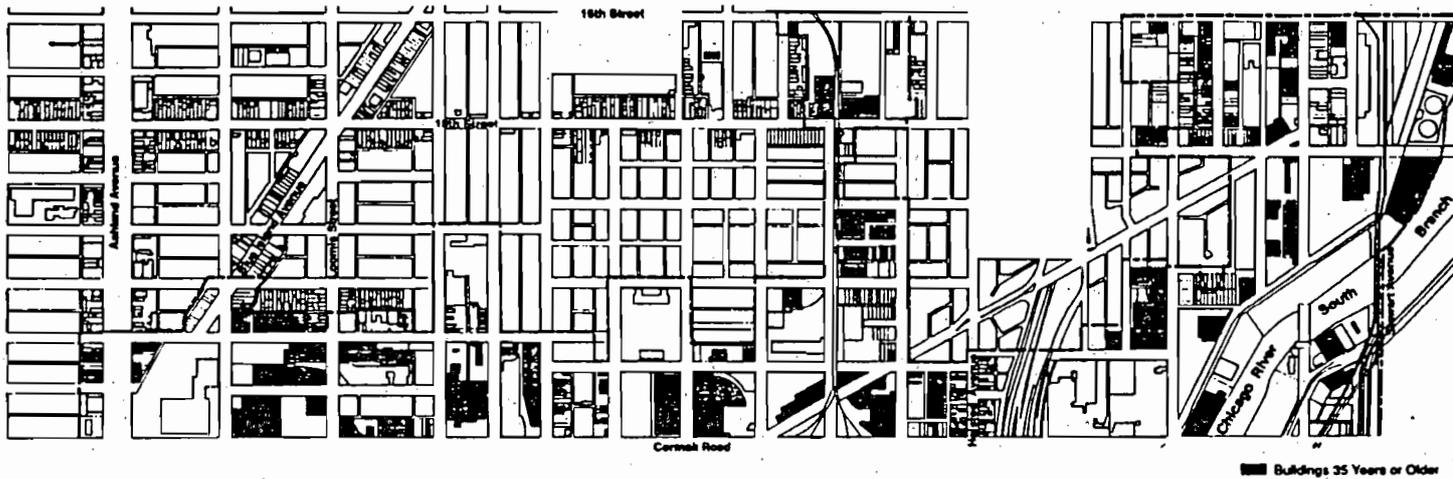
Grid form for exterior building survey with columns for project, parcel, activity, and various building materials like concrete, brick, etc.

Legend for building materials:
CONCRETE
BRICK
WOOD
GLASS
...
KEY TO SYMBOLS:
1 1/2" x 4"
2 1/2" x 6"
...

Figure 3 Exterior Survey

Figure 4a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Age.  
(Northern)



■ Buildings 35 Years or Older

Figure 4a  
Age

Figure 4b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

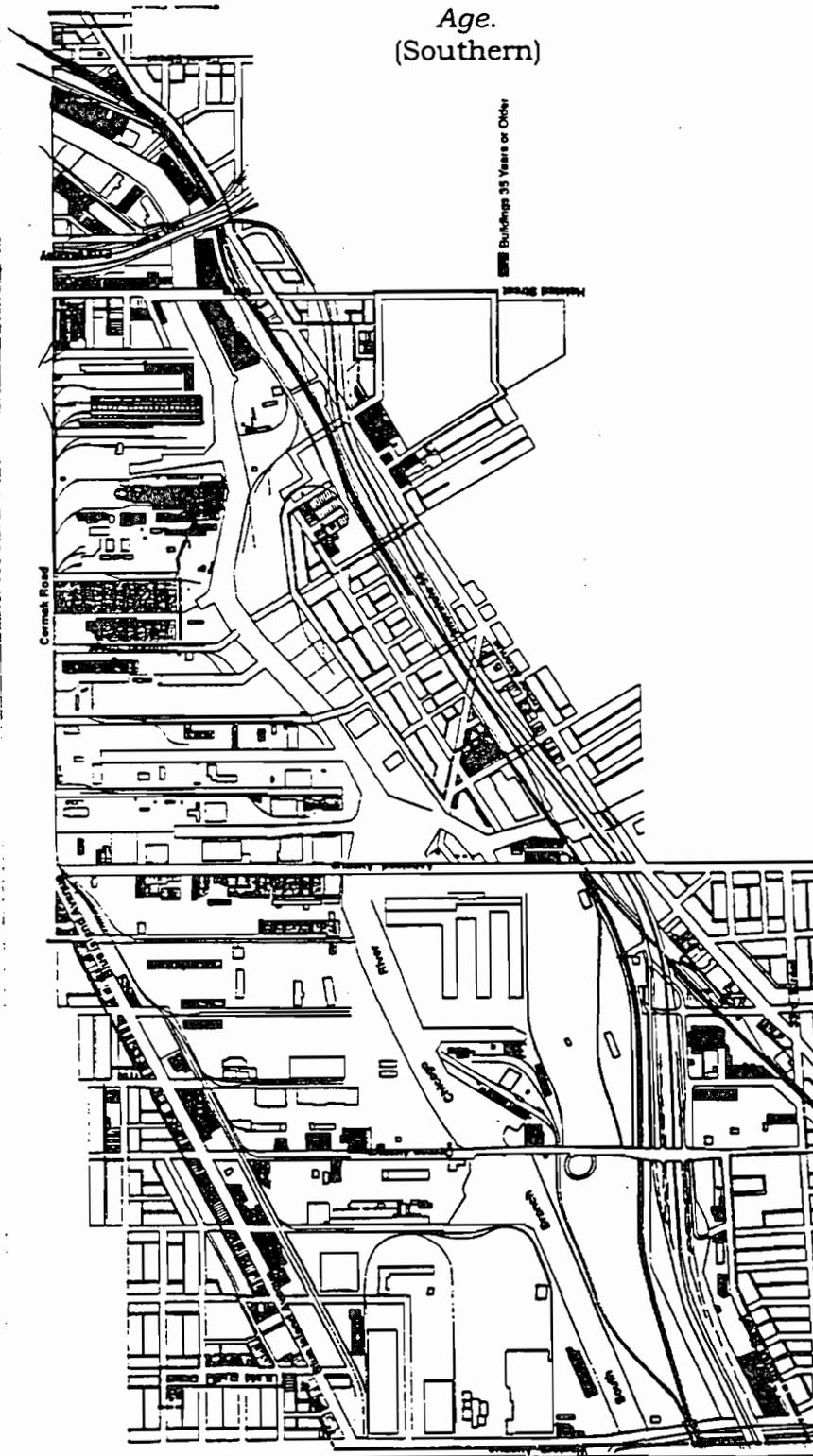
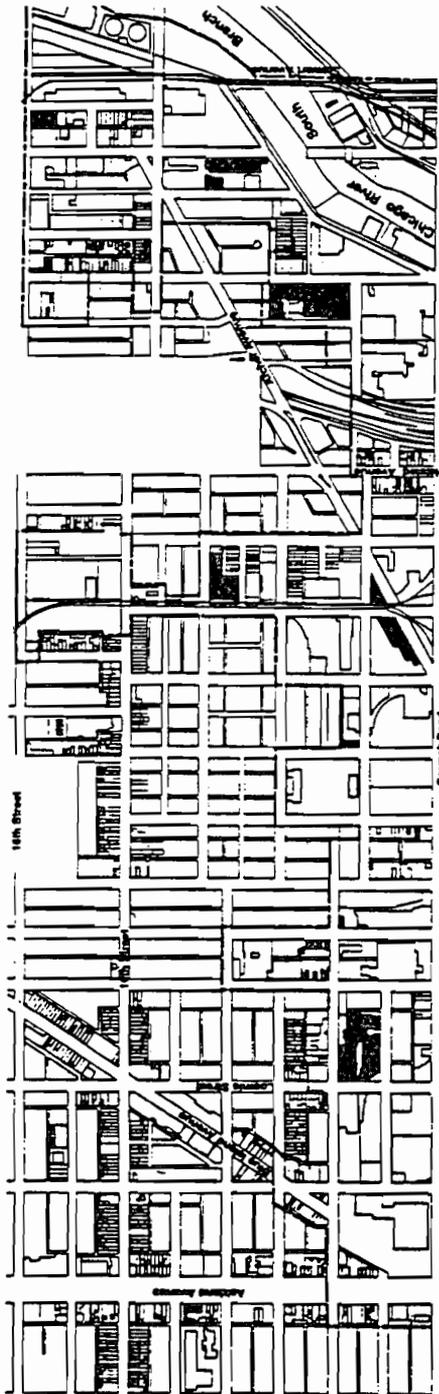


Figure 4b  
Age

**Chicago, Illinois**  
Prepared by: IMA, Palligow, Alan, & Payne, Inc.  
**Pilsen (Southern)**  
Tax Increment Financing Redevelopment Project Area

Figure 5a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Dilapidation.  
(Northern)



Buildings in (Substantial) Dilapidation

Figure 5a  
Dilapidation

Chicago, Illinois

Prepared for: Tibb, Polsterman Allen & Parsons, Inc.

Chicago, Illinois  
Pilsen (Northern)  
Increment Financing Redevelopment Project Area



0 500 1,000

Figure 5b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Dilapidation.  
(Southern)

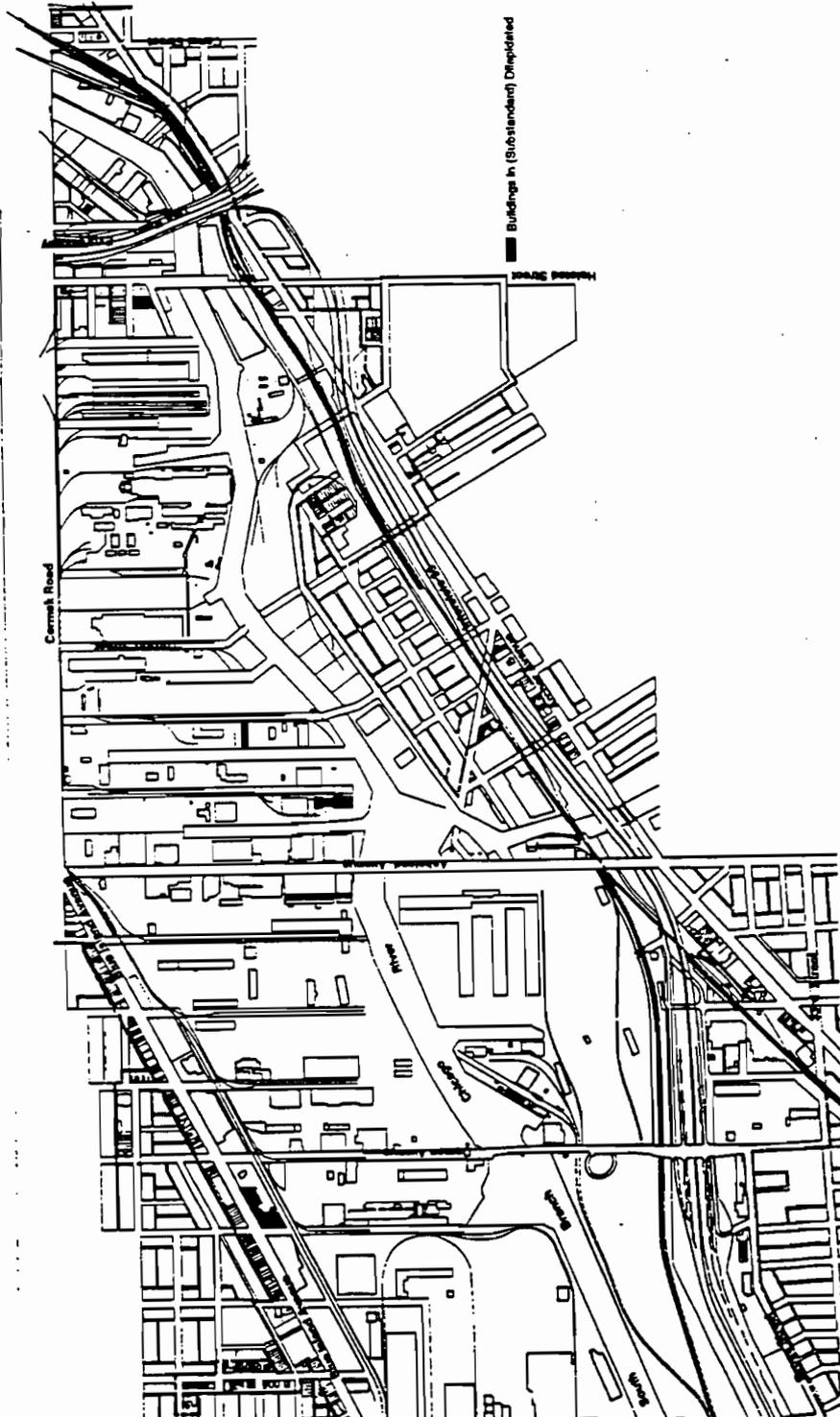


Figure 5b  
Dilapidation

Chicago, Illinois

Prepared By: I.M.A., Peltigaw, Alton, & Payne, Inc.

Pilsen (Southern)

Increment Financing Redevelopment Project Area

Figure 6a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Obsolescence.  
(Northern)

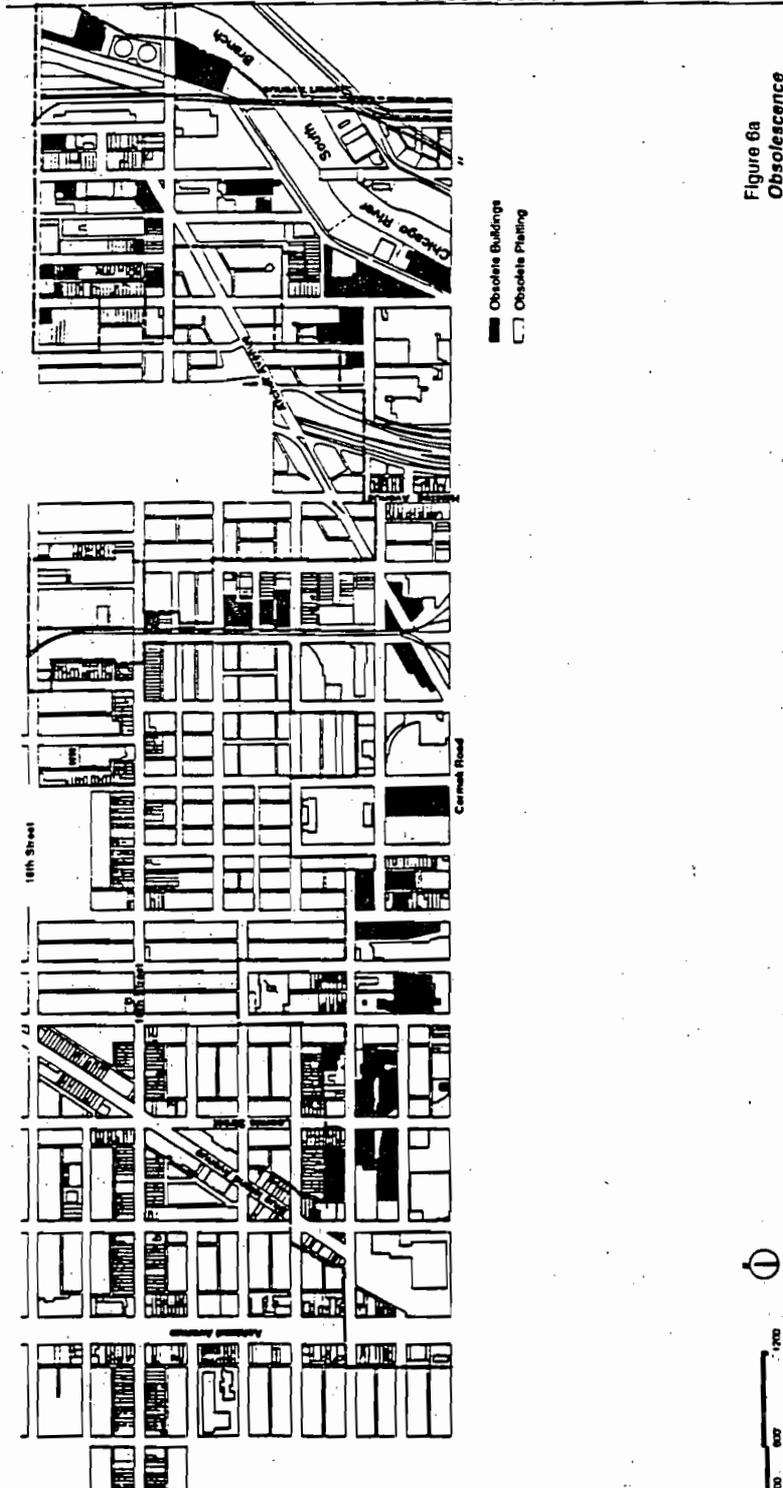


Figure 6a  
Obsolescence

Chicago, Illinois

Prepared By: Titus, Pellegrini, Allen, & Payne, Inc.

Chicago, Illinois  
(Northern)

Increment Financing Redevelopment Project Area

Figure 6b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Obsolescence.  
(Southern)

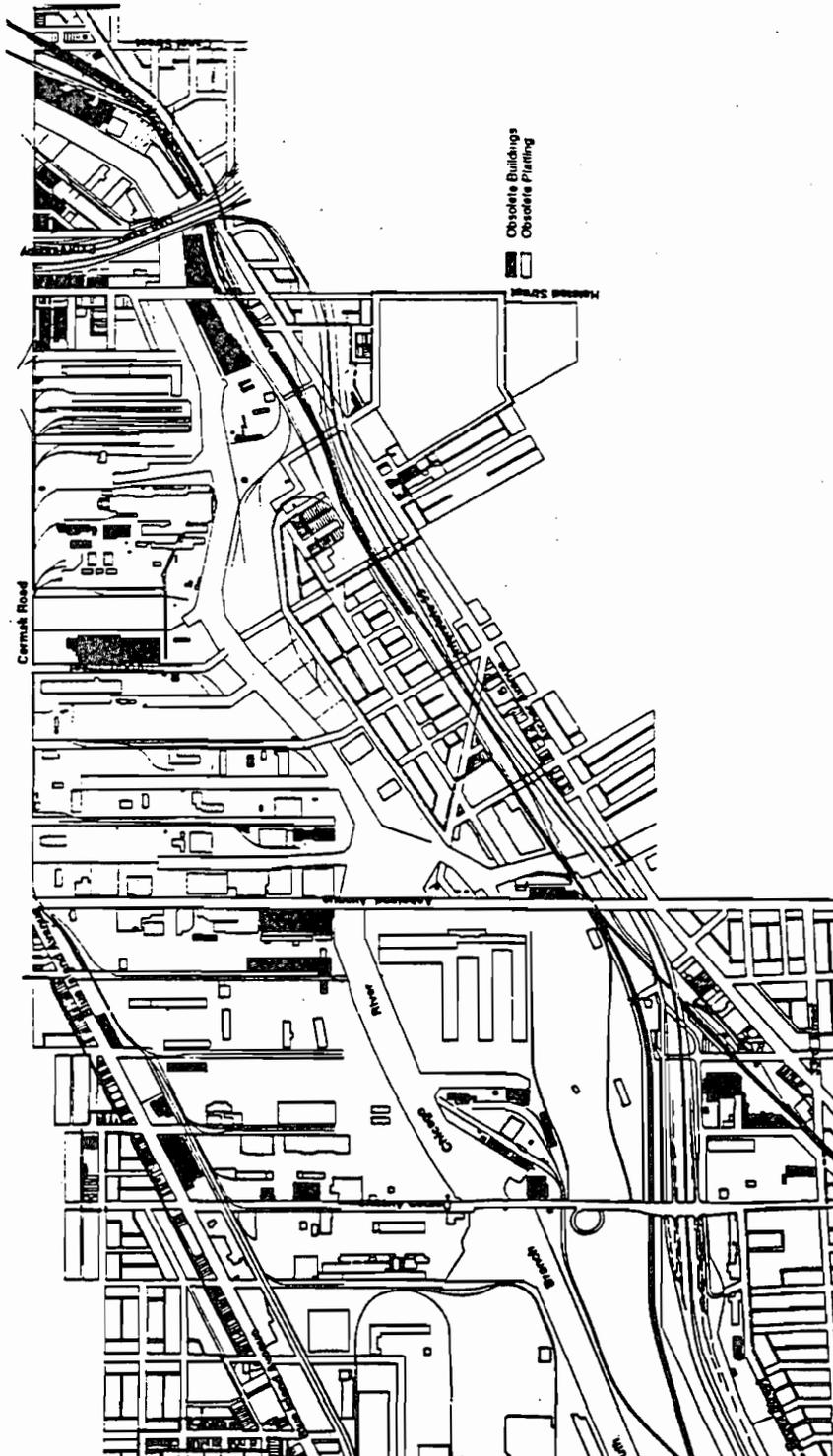


Figure 6b  
Obsolescence

Chicago, Illinois

Prepared By: Inia, Palligow, Allen, & Payne, Inc.



0 500 1000

Area (Southern)

ment Financing Redevelopment Project Area

Figure 7a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Deterioration.  
(Northern)

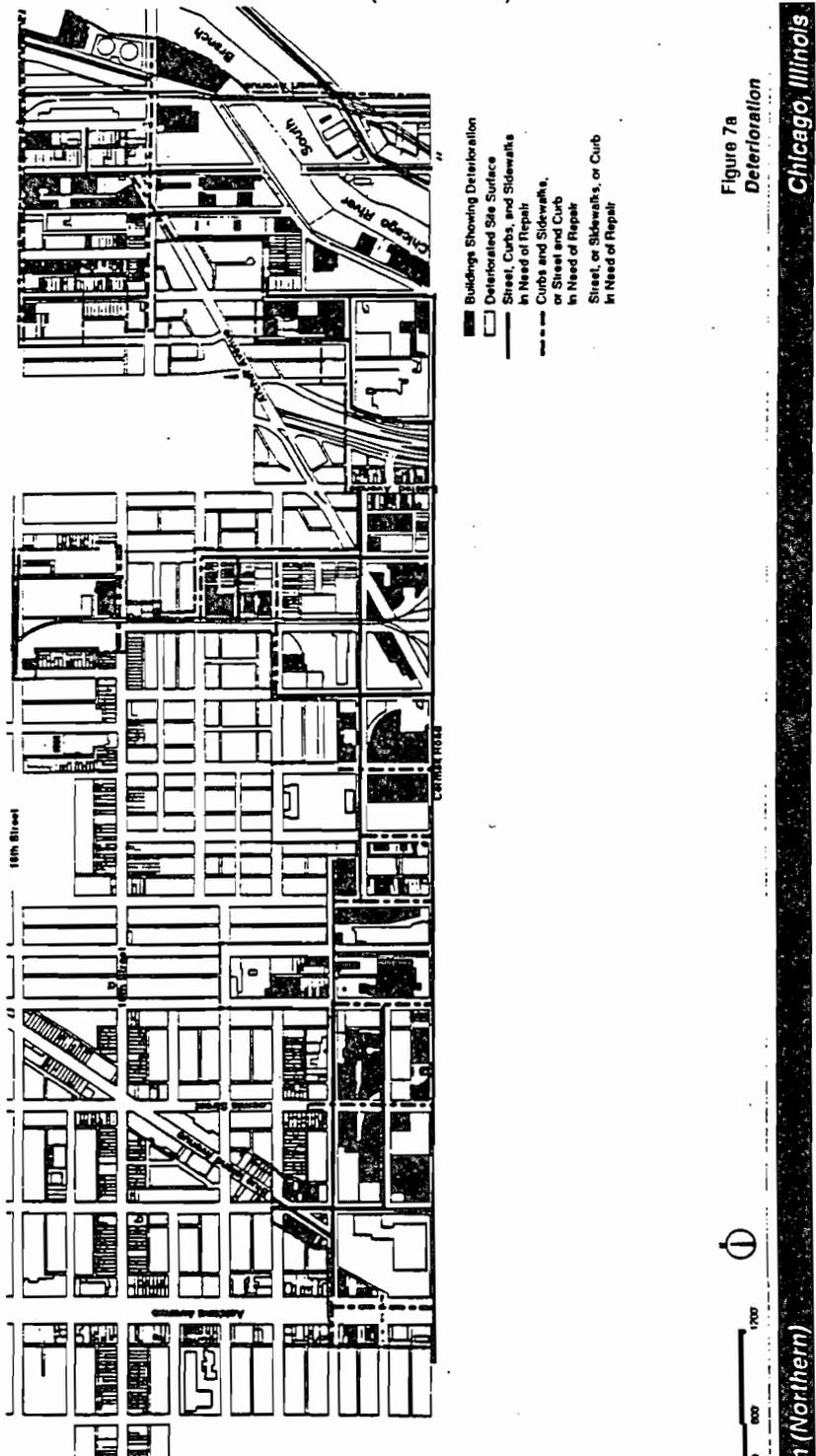


Figure 7b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Deterioration.*  
(Southern)

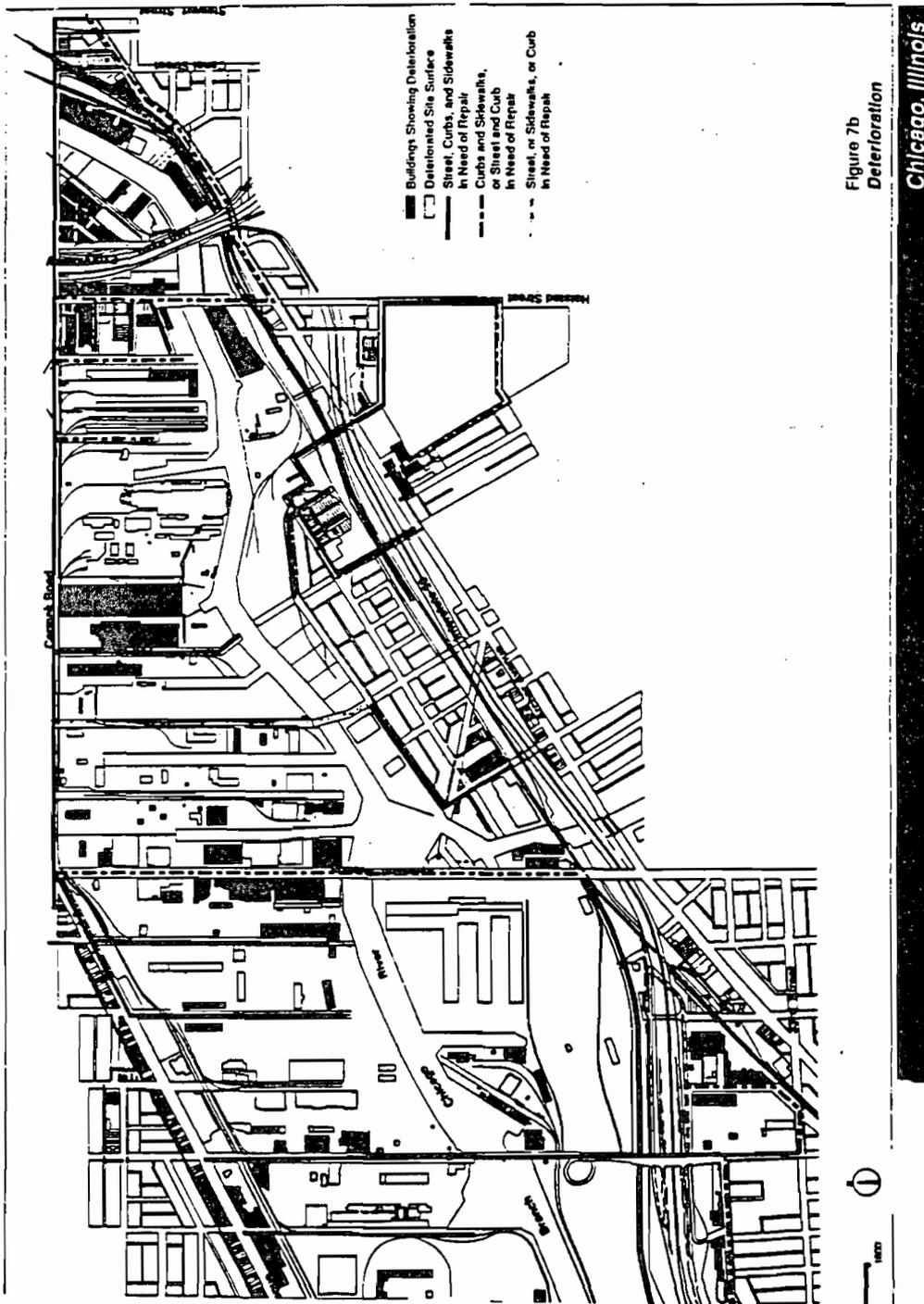


Figure 8a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Structures Below Minimum Code.  
(Northern)

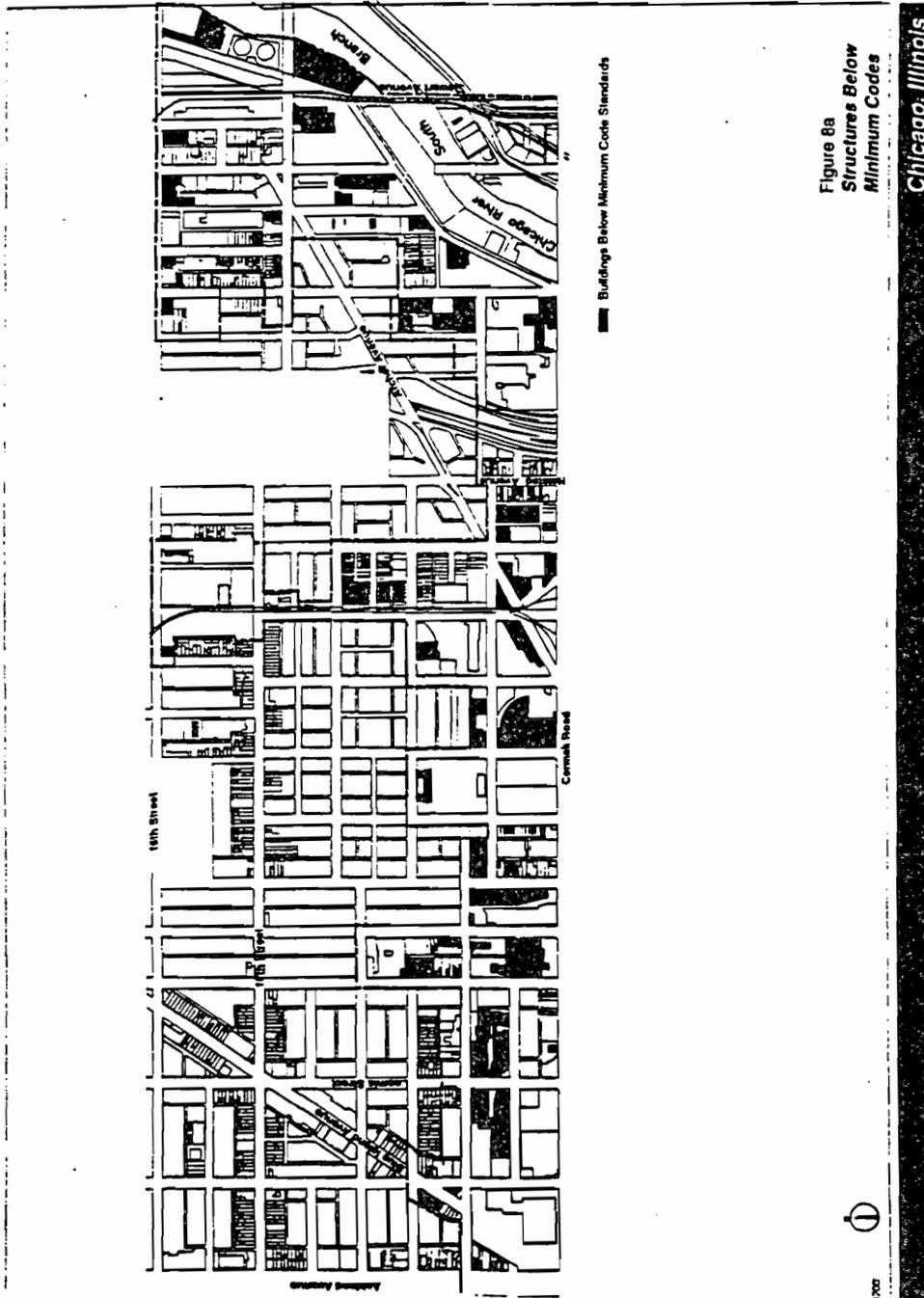


Figure 8b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Buildings Below Minimum Code.  
(Southern)*

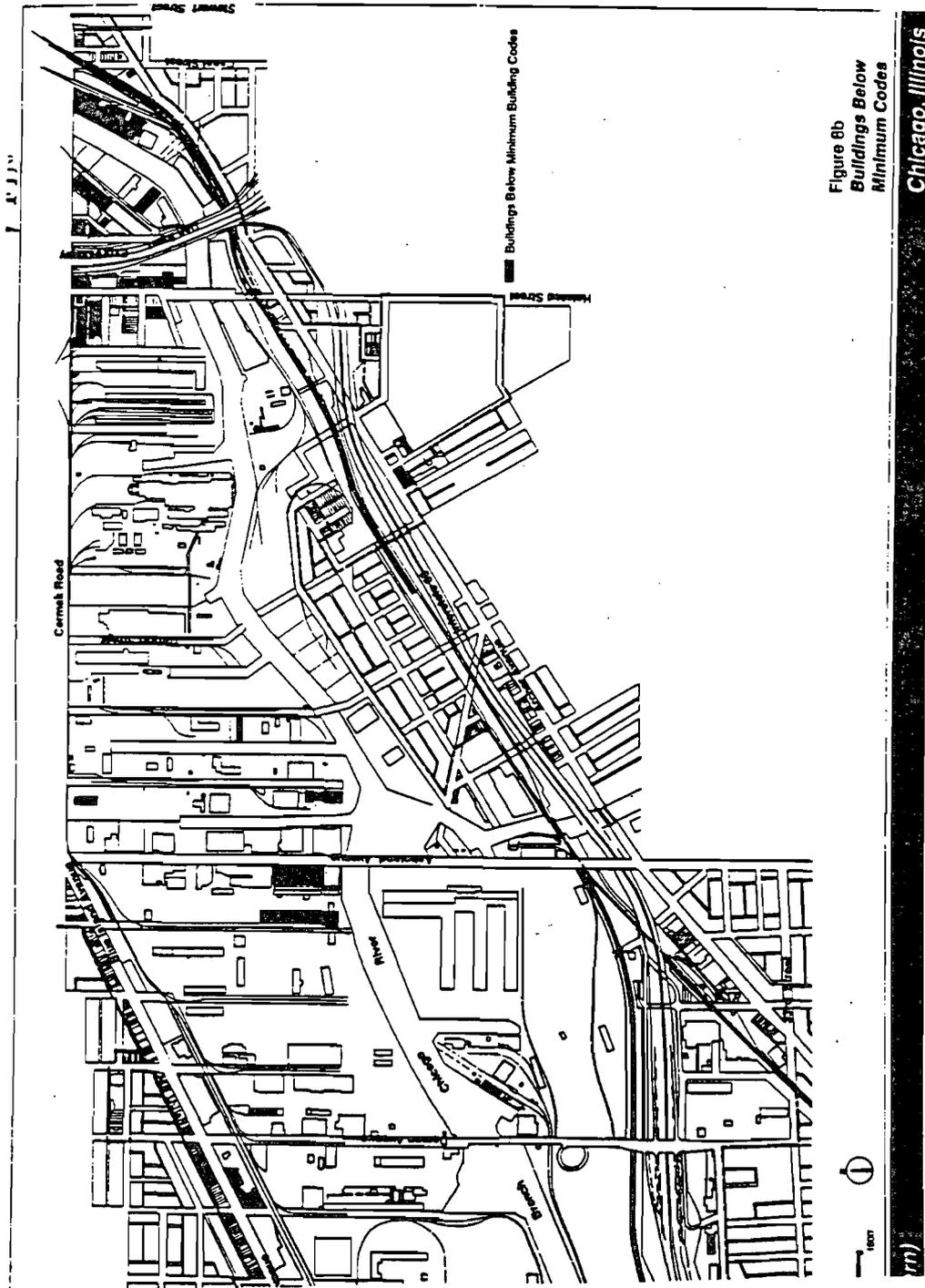


Figure 8b  
Buildings Below  
Minimum Codes  
Chicago, Illinois

Figure 9a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Excessive Vacancies.  
(Northern)

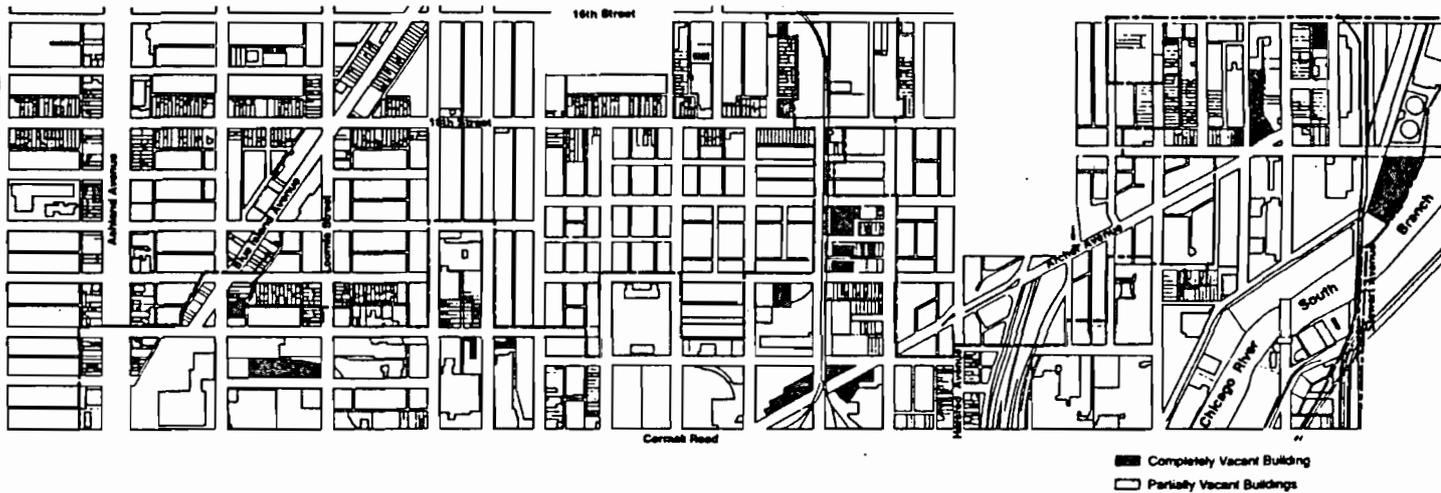


Figure 9a  
Excessive Vacancies

Figure 9b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Excessive Vacancies.  
(Southern)

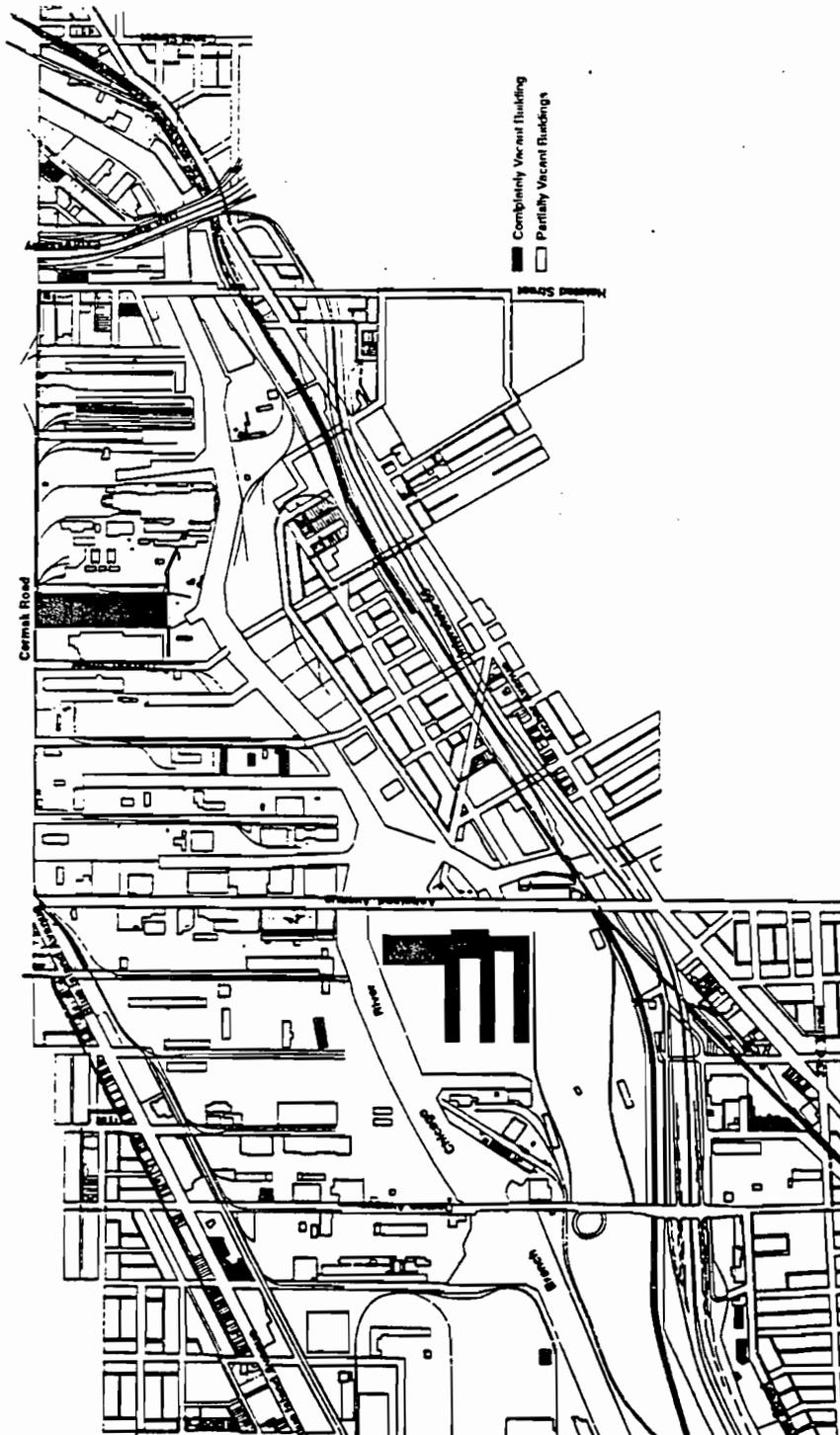


Figure 9b  
Excessive Vacancies  
Chicago, Illinois

Prepared By: Ithia, Vengrow, Allen, & Payne, Inc.

(Southern)  
Tax Increment Financing Redevelopment Project Area

Figure 10a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Excessive Land Coverage.  
(Northern)

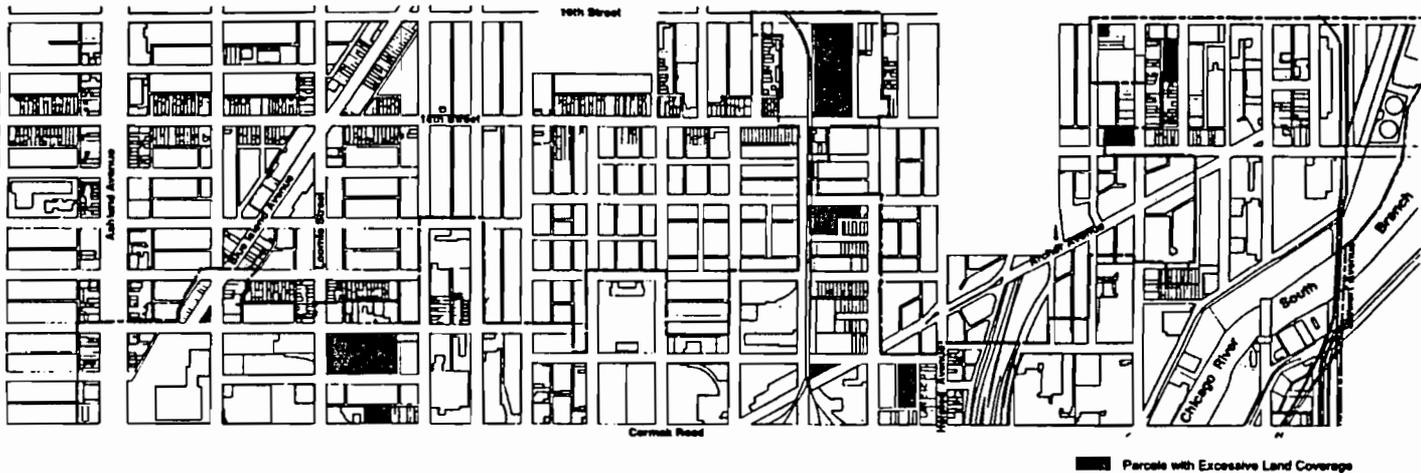


Figure 10a  
Excessive Land Coverage

Figure 10b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Excessive Land Coverage.*  
(Southern)

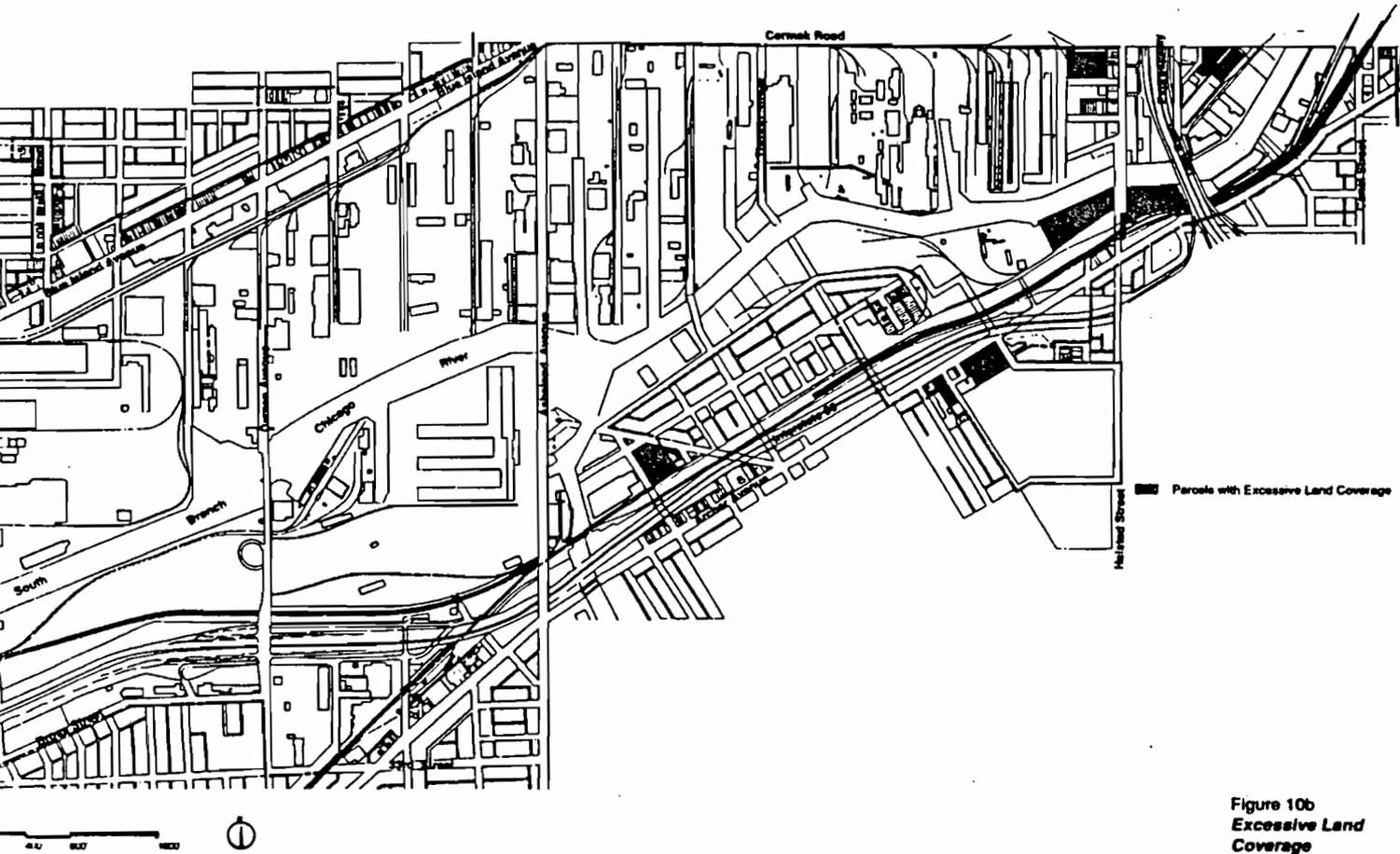


Figure 10b  
Excessive Land  
Coverage

*Figure 11a.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Deleterious Land-Use/Layout.*  
(Northern)

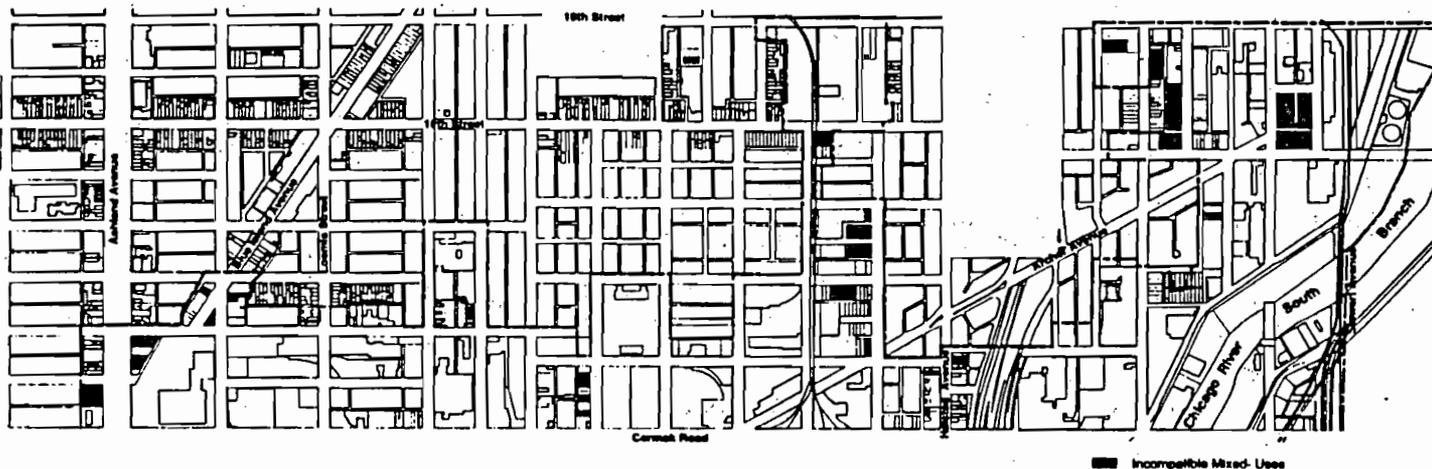


Figure 11a  
Deleterious  
Land-Use/Layout

Figure 11b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Deleterious Land-Use/Layout.*  
(Southern)

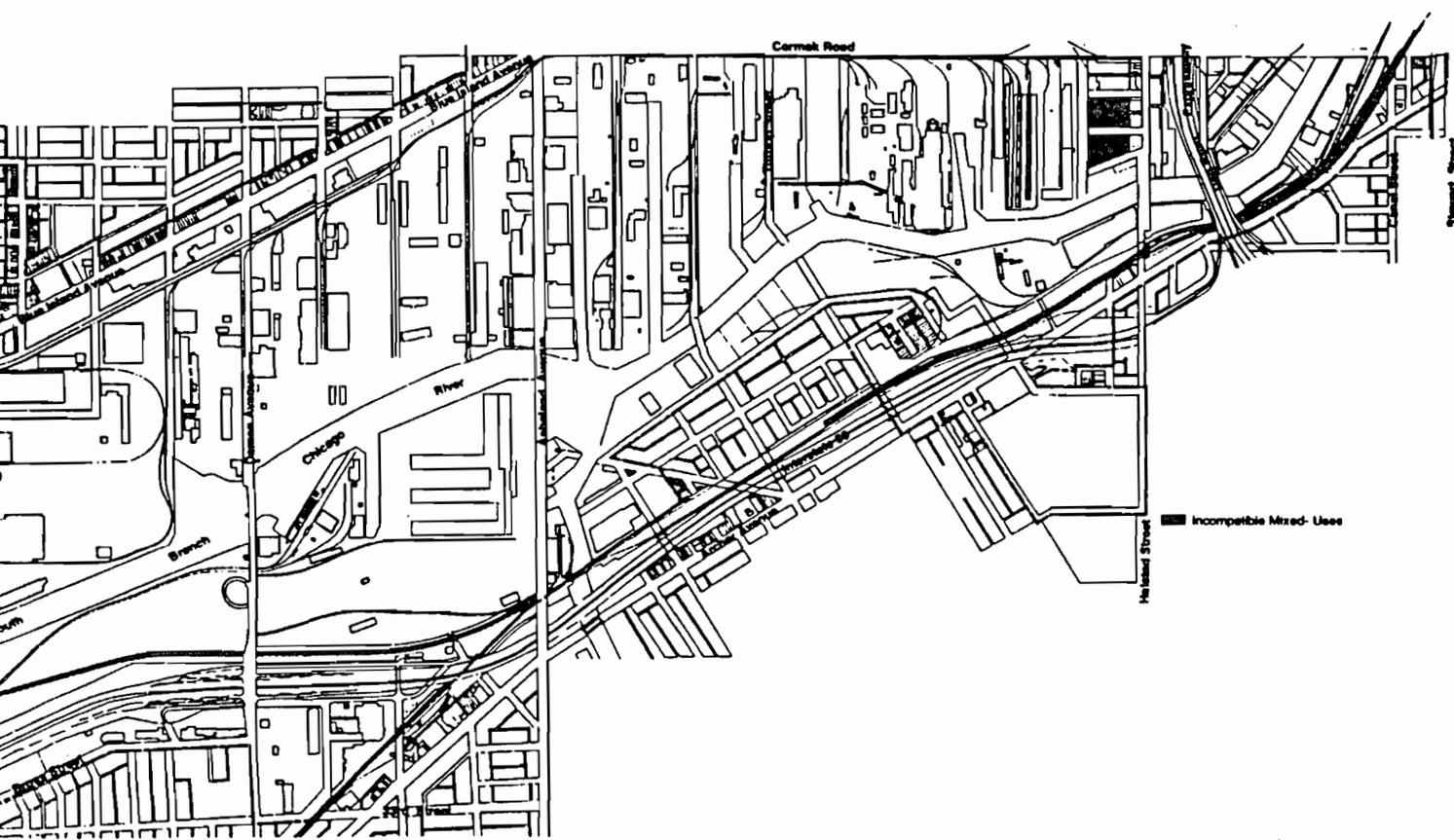


Figure 11b  
*Deleterious Land-Use  
/Layout*

*Figure 12a.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Depreciation Of Physical Maintenance.*  
(Northern)

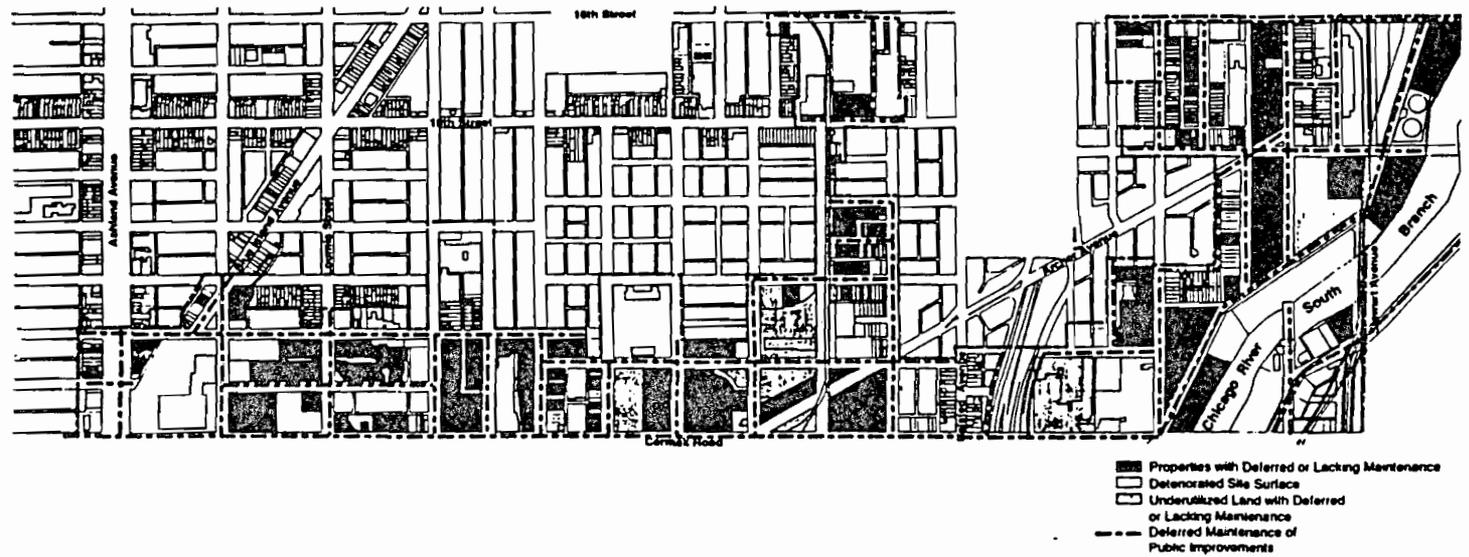


Figure 12a  
*Depreciation of  
Physical Maintenance*

Figure 12b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Depreciation Of Physical Maintenance.*  
(Southern)

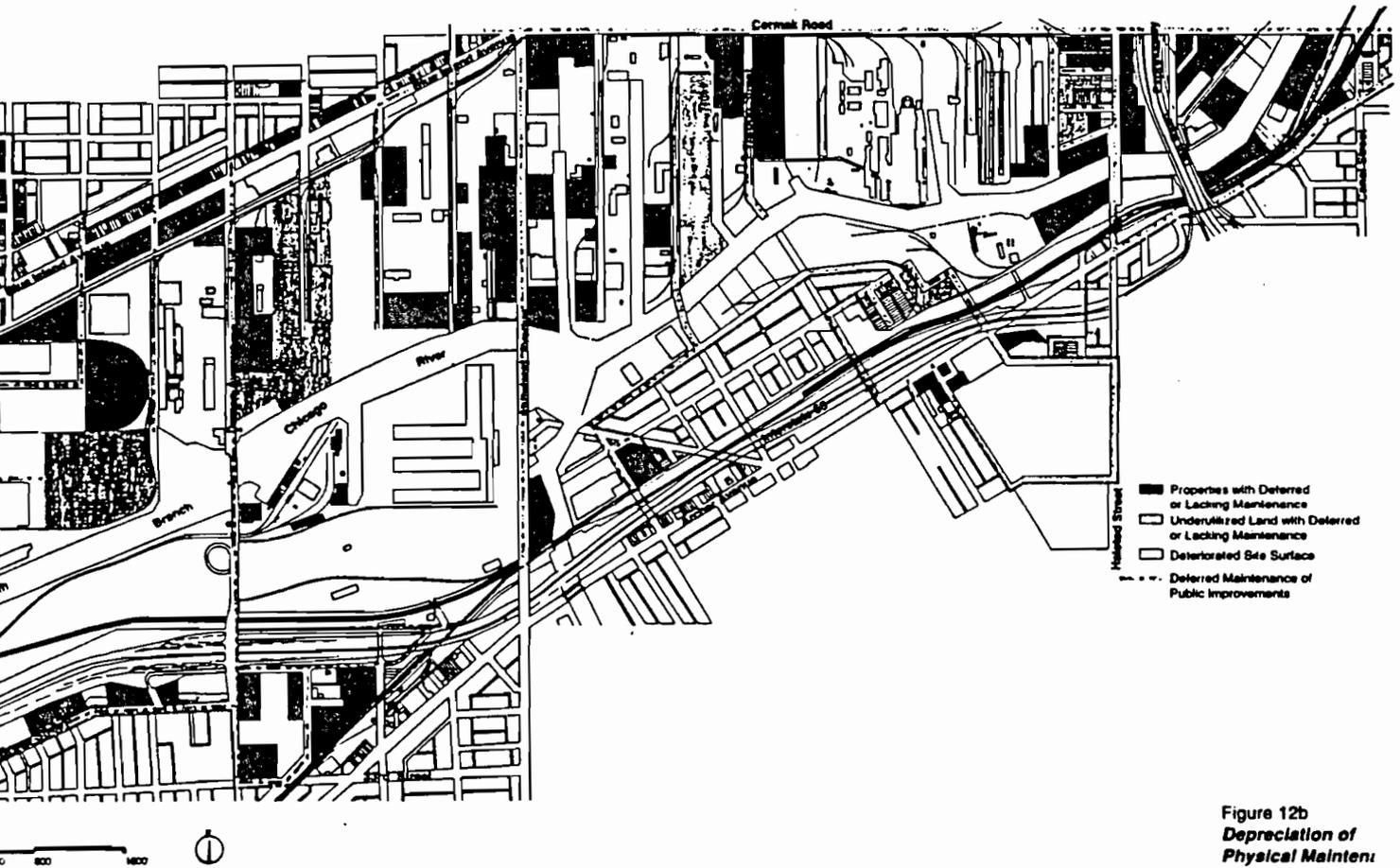


Figure 12b  
*Depreciation of  
Physical Maintenance*

*Table 1.*  
(To Pilsen Eligibility Study)

*Acreage Distribution.*  
(Page 1 of 4)

*Table 1.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Acreage Distribution.*

<u>Area</u>	<u>Total Acres</u>	<u>Percent of Total</u>
• Commercial District	47	5.2%
• Industrial District	860	94.8%
<u>Total</u>	<u>907</u>	<u>100.0%</u>

*Table 2.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Summary Of Building Deterioration.*

**INDUSTRIAL DISTRICT**

	Survey Block Number	Number of Buildings	Building Condition		
			Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
1.	17-21-305	13	2	8	3
2.	17-21-306	24	1	7	16
3.	17-21-330	1	0	1	0
4.	17-21-307	8	0	8	0
5.	17-21-309	1	0	0	1

Table 2.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Summary Of Building Deterioration.  
(Page 2 of 4)

Survey Block Number	Number of Buildings	Building Condition		
		Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
6.	17-21-310	0	0	0
7.	17-21-311	1	0	0
8.	17-21-327	3	1	0
9.	17-21-326	5	0	2
10.	17-21-325	7	0	2
11.	17-21-331	1	0	0
12.	17-21-332	4	1	0
13.	17-21-323	1	0	1
14.	17-21-322	1	0	0
15.	17-28-104/105/(21-336)	3	0	0
16.	17-28-103/(17-21-333/334/335)	5	0	1
17.	17-28-101	1	0	0
18.	17-28-102	8	0	1
19.	17-28-100	6	0	0
20.	17-29-203	1	0	1
21.	17-29-202	0	0	0
22.	17-29-201	6	0	3
23.	17-21-328	4	2	1
24.	17-21-329	5	0	0
25.	17-20-331	2	0	0
26.	17-20-330	2	0	0
27.	17-20-322	1	0	0
28.	17-20-404	3	1	0
29.	17-20-405	1	0	0
30.	17-20-415	0	0	0
31.	17-20-414	1	0	0
32.	17-20-425	10	0	4
33.	17-20-426	6	0	3
34.	17-20-433	1	0	0
35.	17-20-432	2	0	1
36.	17-20-444	3	0	0
37.	17-20-445	11	0	4
38.	17-20-424/425	0	1	4

*Table 2.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Summary Of Building Deterioration.*  
(Page 3 of 4)

	Survey Block Number	Number of Buildings	Sound	Deteriorated/ Deteriorating	Substandard Dilapidated
40.	17-20-441	1	0	0	1
41.	17-20-442	0	0	0	0
42.	17-20-440	1	0	1	0
43.	17-20-439	1	0	1	0
44.	17-20-438	15	0	10	3
45.	17-20-429	1	0	1	0
46.	17-20-335	2	0	1	1
47.	17-20-334	3	0	3	0
48.	17-20-333	5	0	5	0
49.	17-20-332	1	0	0	1
50.	17-20-324	1	0	1	0
51.	17-29-200	6	5	1	0
52.	17-29-103	2	0	2	0
53.	17-29-102	3	0	3	0
54.	17-29-101	12	9	2	1
55.	17-29-100	14	2	11	1
56.	17-30-210	18	8	8	2
57.	17-30-209	2	1	1	0
58.	17-30-208	7	1	6	0
59.	17-30-302	7	4	2	1
60.	17-30-300	14	9	5	0
61.	17-31-101/102	7	1	5	1
62.	17-31- 200/201/207/208	2	0	2	0
63.	17-31-203	3	1	2	0
64.	17-29-300	4	0	1	3
65.	17-29-308	2	0	2	0
66.	17-29-303	3	1	2	0
67.	17-29-301	2	2	0	0
68.	17-29-302	1	1	0	0
69.	17-29-304	0	0	0	0
70.	17-29-310	1	0	1	0
71.	17-29-416	8	1	7	0
72.	17-29-417	1	0	1	0
73.	17-29-403	0	0	0	0

*Table 2.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Summary Of Building Deterioration.*  
(Page 4 of 4)

Survey Block Number	Number of Buildings	Sound	Deteriorated/ Deteriorating	Substandard Dilapidated
74. 17-29-404	8	1	5	2
75. 17-29-400	2	1	1	0
76. 17-29-402	1	0	0	1
77. 17-29-405/406/407	2	1	1	0
78. 17-28-111	1	0	1	0
79. 17-20-430	2	0	2	0
80. 17-20-325	15	1	11	3
<b>Industrial Area Total</b>	<b>343</b>	<b>61</b>	<b>212</b>	<b>70</b>

**COMMERCIAL DISTRICT**

1. 17-19-429	2	1	1	0
2. 17-19-425	6	2	3	1
3. 17-20-318	14	0	12	2
4. 17-20-319	1	0	0	1
5. 17-20-329	1	1	0	0
6. 17-20-327	9	1	8	0
7. 17-20-322	6	1	5	0
8. 17-30-120	2	1	0	1
9. 17-30-121	5	0	5	0
10. 17-30-112	10	5	5	0
11. 17-30-115	10	5	5	0
12. 17-30-119	8	4	4	0
13. 17-30-122	3	0	3	0
14. 17-30-116	15	9	6	0
15. 17-30-125	19	1	17	1
16. 17-30-206	10	3	7	0
17. 17-30-124	6	0	5	1
18. 17-30-203	9	3	6	0
19. 17-30-204	3	2	1	0
20. 17-30-202	15	2	7	6
21. 17-30-207	20	2	18	1
<b>Commercial Area Total</b>	<b>167</b>	<b>44</b>	<b>110</b>	<b>13</b>

**Project Area Total**                      **510**                      **105**                      **322**                      **83**

Table 3.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Distribution Of Blighting Factors In Industrial District.*  
(Page 1 of 3)

● Factor present to a MAJOR extent  
○ Factor present to a MINOR extent

Block No.	Age	Dilapidation	Obsolescence	Deterioration	Illegal use of individual structures	Structures below code	Excessive vacancies	Overcrowding of structures	Lack of light, ventilation or sanitary facilities	Inadequate utilities	Excessive land coverage	Deliterious land use	Depreciation of physical maintenance	Lack of community planning	Number of Factors Present	
															Major	Minor
1.	17-21-305	●	○	○	●	●					○	●	●	●	6	3
2.	17-21-306	●	●	○	●	●	○				○	●	●	●	7	3
3.	17-21-330	●			●	●	●					●	●	●	6	0
4.	17-21-307	●		●	●	●	○					●	●	●	6	1
5.	17-21-309	●	●	●	●	●	●					●	●	●	8	0
6.	17-21-310											●	●	●	3	0
7.	17-21-311	●		●	●	●					●		●	●	7	0
8.	17-21-327	●		○	●	●	○						●	●	5	2
9.	17-21-326	●	○	○	●	○	○						●	●	4	3
10.	17-21-325	●	○	○	●	●	○					○	●	●	5	4
11.	17-21-331	●		●	●	●							●	●	6	0
12.	17-21-332	○		○	●								●	●	3	2
13.	17-21-323	●	●	●	●	●							●	●	7	0
14.	17-21-322	●		●	●								●	●	5	0
15.	17-28-104/ 105/(21-336)	●		○	●	○							●	●	4	2
16.	17-28-103/(17- 21-335/334/333)	●	○	○	●	○	○						●	●	4	4
17.	17-28-101	●		●	●	●							●	●	6	0
18.	17-28-102	●	○	○	●	●	○				●		●	●	6	3
19.	17-28-100	●		●	●	●							●	●	6	0
20.	17-29-203	●	●		●	●	●						●	●	8	0
21.	17-29-202				●							●	●	●	4	0
22.	17-29-201	●	●	●	●	●	●				○		●	●	8	1
23.	17-21-328	●	○	●	●	○	●					●	●	●	7	2
24.	17-21-329	●			●	○							●	●	4	1
25.	17-20-331	●			●								●	●	4	0
26.	17-20-330	●		●	●	●	●						●	●	7	0
27.	17-20-322	●		●	●						●		●	●	6	0
28.	17-20-404	●			●	○					●		●	●	5	1
29.	17-20-405	●			●	●							●	●	5	0
30.	17-20-415			●									●	●	3	0
31.	17-20-414	●		●								●	●	●	5	0

Table 3.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Distribution Of Blighting Factors In Industrial District.*  
(Page 2 of 3)

● Factor present to a MAJOR extent.  
○ Factor present to a MINOR extent

Block No.	Age	Dilapidation	Obsolescence	Deterioration	Illegal use of individual structures	Structures below code	Excessive vacancies	Overcrowding of structures	Lack of light, ventilation or sanitary facilities	Inadequate utilities	Excessive land coverage	Deliterious land use	Depreciation of physical maintenance	Lack of community planning	Number of Factors Present	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Major	Minor
32. 17-20-425	●	○	○	●		●	○				○	●	●	●	6	4
33. 17-20-426	●	●	○	●		●	●					●	●	●	8	1
34. 17-20-433	●			●		●	●						●	●	6	0
35. 17-20-432	●	●		●		●	●						●	●	7	0
36. 17-20-444	●		○	●		●	○						●	●	5	2
37. 17-20-445	●	○		●		●	○				○	○	●	●	5	4
38. 17-20-434/435	●	○		●		●	○					●	●	●	6	2
39. 17-20-443	●	●	●	●		●	●				●		●	●	9	0
40. 17-20-441	●	●	●	●		●	●						●	●	8	0
41. 17-20-442				●									●	●	3	0
42. 17-20-440	●			●		●							●	●	5	0
43. 17-20-439	●		●	●									●	●	5	0
44. 17-20-438	●	○	○	●		●	○					●	●	●	6	3
45. 17-20-429	●		●	●		●	●						●	●	6	0
46. 17-20-335	●	●	●	●		●	●						●	●	8	0
47. 17-20-334	●		●	●		●	○						●	●	6	1
48. 17-20-333	●		○	●		●	○				○		●	●	5	3
49. 17-20-332	●	●	●	●		●							●	●	7	0
50. 17-20-324	●		●	●									●	●	5	0
51. 17-29-200	●		●	○			○						○	●	3	3
52. 17-29-103	●		●	●		●	●						●	●	7	0
53. 17-29-102	○		○	○		●	●						●	●	4	3
54. 17-29-101	○	○	○	○		○	○						○	●	1	7
55. 17-29-100	●	○	○	●		○	○					○	●	●	4	4
56. 17-30-210	●	○	○	●		○	○						●	●	4	4
57. 17-30-209	●		●	●									●	●	5	0
58. 17-30-208	●		●	●		○	○						●	●	5	2
59. 17-30-302	●	○		○		○	○						○	●	2	5
60. 17-30-300	○			○			○						○	●	1	4
61. 17-31-101/102	●	○	○	●		○	○						●	●	4	4
62. 17-31-200/201/ 207/208	●		●	●									●	●	5	0
63. 17-31-203	●		●	●			○						●	●	5	1
64. 17-29-300	○	●	●	○		●	●						●	●	6	2

Table 3.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Distribution Of Blighting Factors In Industrial District.*  
(Page 3 of 3)

- Factor present to a MAJOR extent  
○ Factor present to a MINOR extent

Block No.	Age 1	Dilapidation 2	Obsolescence 3	Deterioration 4	Illegal use of individual structures 5	Structures below code 6	Excessive vacancies 7	Overcrowding of structures 8	Lack of light, ventilation or sanitary facilities 9	Inadequate utilities 10	Excessive land coverage 11	Deleterious land use 12	Depreciation of physical maintenance 13	Lack of community planning 14	Number of Factors Present	
															Major	Minor
65. 17-29-308	●		●	●									●	●	5	0
66. 17-29-303	●		○	●		○							●	●	4	2
67. 17-29-301													●	●	2	0
68. 17-29-302														●	1	0
69. 17-29-304												●	●	●	3	0
70. 17-29-310	●			●							●		●	●	5	0
71. 17-29-416	●		○	●		○	○				○		●	●	4	4
72. 17-29-417	●		●	●									●	●	5	0
73. 17-29-403													●	●	2	0
74. 17-29-404	●	○	●	●		●							●	●	6	1
75. 17-29-400			●	●									●	●	4	0
76. 17-29-402	●	●		●		●							●	●	6	0
77. 17-29-405/ 406/407	●		●	●							●		●	●	6	0
78. 17-28-111	●		●	●							●		●	●	6	0
79. 17-20-430	●			●		●							●	●	5	0
80. 17-20-325	●	○	○	●		●	○						●	●	5	3
<b>Totals:</b>	66/5	13/17	35/22	67/6	0/0	40/14	15/23	0/0	0/0	0/0	8/7	12/3	75/4	80/0	411	101



**EXHIBIT E**

**CONSTRUCTION CONTRACT**

## CONSTRUCTION CONTRACT

Between: CIPM, L.L.C. (hereinafter referred to as the "Owner"), whose address is:  
1808 Swift Road  
Oak Brook, Illinois 60523  
Attention: Mr. Fred Reynolds

and: FCL BUILDERS, INC. (hereinafter referred to as the "Contractor"), whose address is:  
1150 Spring Lake Drive  
Itasca, Illinois 60143  
Attention: Mr. Michael Boro

Date of Contract: May 22, 2001

Premises: real estate located at South Damen and Blue Island, Chicago, Illinois (hereinafter referred to as the "Premises")

Contract Sum: THIRTEEN MILLION THREE HUNDRED FIFTY ONE THOUSAND NINE HUNDRED FIFTY THREE AND NO/00 DOLLARS (\$13,351,953.00) (hereinafter referred to as the "Contract Sum")

Architect: CORNERSTONE ARCHITECTS LTD. (hereinafter referred to as "Architect"), whose address is:  
1152 Spring Lake Drive  
Itasca, Illinois 60143

In consideration of the mutual covenants and conditions hereinafter set forth and the foregoing definitions which are by this reference incorporated herein, the parties hereby agree as follows:

### ARTICLE I The Work

1.1. Performance of the Work. Contractor, pursuant to the provisions hereof, shall perform all the work (hereinafter referred to as the "Work") necessary to fully and completely construct the improvements which are generally intended to consist of the shell and core of a building and common areas related thereto to be commonly known as the Chicago International Produce Market (all such improvements are hereinafter referred to as the "Project") as described and specified in or as logically inferable from the plans and specifications (hereinafter referred to as the "Plans") identified on Exhibit "B" attached hereto and by this reference incorporated herein. The Project is to be located on the real estate described in Exhibit "A" comprising the Premises at South Damen and Blue Island, Chicago, Illinois. Contractor shall perform all the Work and furnish all the materials, equipment, labor, services, scaffolds, hoisting and transportation for same, together with any tools and machinery and all other protection necessary to perform and protect the Work. Contractor acknowledges that it has reviewed and approved the Plans.

#### 1.2. Contractor Acknowledgments.

1.2.1. Contractor acknowledges that it has visited the Premises and is familiar with all of the existing conditions that may affect the Work and agrees that: (i) it has carefully examined and reviewed and understands the Plans; (ii) it has carefully examined and understands the nature, location and character of the Work and the Premises, including, without limitation, the existing improvements, the surface condition of the Premises

and all structures and obstructions thereon, both natural and man-made, and all surface water conditions of the Premises and the surrounding area, not including, however, any subsurface conditions of the Premises not apparent from Contractor's examination of the Premises and from tests submitted to Contractor; (iii) it has carefully examined and understands the nature, location and character of the general area in which the Premises is located, including, without limitation, its climatic conditions, available labor supply and labor costs and available equipment supply and equipment costs; (iv) it has carefully examined and understands the quality and quantity of all materials, supplies, tools, equipment, labor and professional services necessary to complete the Work within the cost required by the Contract Documents (as hereinafter defined); (v) it has the ability to complete the Work on or before the Completion Date (as hereinafter defined) at an aggregate cost not to exceed the Contract Sum; (vi) it has familiarized itself with conditions affecting the difficulty of the Work; (vii) it has entered into this contract based on its own examination, investigation and evaluation and not in reliance upon any opinions or representations of Owner or Architect or any of their respective officers, agents or employees; and (viii) it shall comply with any restrictions contained in any No Further Remediation Letters issued with respect to the Premises.

1.2.2. Contractor hereby represents and warrants to Owner that Contractor is a business entity which is experienced and skilled in the construction of projects of the type described in the Plans, is licensed to engage in the general construction business in the jurisdiction where the Premises is located and is in compliance with all applicable governmental laws and regulations precedent to performance of the Work.

1.2.3. Contractor agrees to furnish efficient business administration, coordination, supervision and superintendence of the Work and to furnish at all times a competent and adequate administrative and supervisory staff and an adequate supply of workmen and materials and to perform the Work in the best and most sound way and in the most expeditious and economical manner consistent with the interests of Owner. Contractor agrees from time to time at Owner's request to furnish estimates and technical advice as to construction methods and equipment to Owner and Architect. Contractor shall promptly advise Owner of any occurrence, event, fact, or other matter that has had, will have, or might reasonably be predicted to have a material adverse effect upon the financial condition of Contractor.

1.2.4. Contractor shall carefully study and compare the Plans, this Construction Contract and all schedules, data, documentation and instructions relating to the Work (all of the foregoing being hereinafter collectively referred to as the "Contract Documents") and shall, as soon as observed, report to Owner any error, inconsistency, duplication or omission it discovers. In the event of any conflict or inconsistency between the documents and data comprising the Contract Documents, this Construction Contract shall control.

1.2.5. Contractor agrees to cooperate with Owner and all persons or entities retained by Owner to provide consultation and advice, and to coordinate the Work with the work of such parties and third party contractors, if any, performing interior improvements in the Project so that the Work and such interior improvements shall be completed in the most efficient and expeditious manner.

1.2.6. Contractor shall be responsible and have liability for all of the architect's customary responsibilities for design. Contractor shall perform no portion of the Work without strict adherence to the Contract Documents or, where required, final shop drawings, product data or samples for such portion of the Work.

1.2.7. Contractor warrants that its financial condition is sound and that Contractor shall be capable of obtaining a labor and material payment and performance bond. Contractor shall be deemed to be in default of its obligations hereunder should a material adverse change in its financial condition cause any revocation of any such bond or result in the failure of Contractor to obtain any such bond.

1.2.8. Contractor acknowledges its familiarity with the present operation of the Premises and agrees that Owner's operation and use of the Premises shall not be unreasonably disrupted by virtue of the Work and

Contractor shall take such measures to assure the continuous operation of the Premises and the ongoing operation thereof by Owner.

1.2.9. Contractor shall be responsible to Owner for the acts and omissions of all its employees, all subcontractors and their agents and employees, and all other persons performing any of the Work under any contract or agreement with Contractor or any subcontractor.

1.2.10. All Work shall be performed under the direction of a competent supervisor on location employed by Contractor.

1.3. Commencement and Completion.

1.3.1. Time is of the essence of Contractor's performance and it shall commence the Work within three (3) days of issuance of such building permits required to commence the Work (such date is hereinafter referred to as the "Commencement Date"). Contractor shall commence installation of precast wall panels or structural steel ("Vertical Construction") on or before January 24, 2002. Contractor shall cause Substantial Completion (as hereinafter defined) of the Work on or before January 24, 2003 ("Completion Date"). The term "Substantial Completion" shall mean that construction of the work is sufficiently complete as evidenced by delivery to Owner of either (i) a temporary or permanent certificate of completion from the City of Chicago ("City"); or (ii) a Certificate from Architect, certifying that the work has been reviewed and found, to Architect's best knowledge, information, and belief in accordance with professional standards, to be substantially complete, subject only to punch list items. Contractor shall notify Owner thirty-five (35) days before the approximate date of Substantial Completion.

Except as specifically provided to the contrary in Paragraph 1.3.2 below, the Completion Date shall not be extended nor shall the Contract Sum be increased, and Contractor assumes all risks, hazards and conditions encountered in the performance of the Work, including, but not limited to, climatic conditions, delays in delivery of material and equipment, strikes, labor disputes (whether directed against Contractor and/or subcontractors) and embargoes, and no increase in the Contract Sum or extension of the Completion Date will be allowed on account thereof.

1.3.2. Provided that Contractor gives Owner written notice within five (5) days after the commencement and elects, by giving Owner an additional written notice within five (5) days after the conclusion of such delay, the Completion Date shall be extended as a result of economic scarcity of labor or materials, strikes, lock-outs, inclement weather, casualty, acts of God, theft, vandalism, regulations or governmental policies or acts (including delays in obtaining building permits and NFR Letters), or any other interruption or delay beyond the reasonable control of and without fault on the part of Contractor (collectively "Force Majeure Delays") provided, however, notwithstanding any of the foregoing, Contractor shall cause Substantial Completion to occur no later than January 24, 2005. No extension of the Completion Date shall be granted if, in the opinion of Owner, the delay is not of a nature so as to entail the necessity of additional time to complete the Work. Each notice required to be given within five (5) days of the commencement of any delay shall contain the probable duration and a reasonable explanation and justification of the delay occasioned thereby. Any extension of the Completion Date shall be for a period of time equal to the additional time required to complete the Work caused by such delay; provided, however, in the event that such causes occur concurrently, the actual time of the delay shall be the time elapsed while such causes exist.

1.4. Materials. All materials and equipment supplied as part of the Work shall be new, and all workmanship shall be of the best quality in strict accordance with this Construction Contract. Contractor shall make no substitution of materials unless approved in writing by Owner. All work performed by Contractor shall be under the direction of a competent supervisor on the Premises employed by Contractor. Contractor shall, if required, furnish satisfactory evidence as to kind and quality of all materials and equipment. All labor shall be performed by workmen skilled in their respective trades, and workmanship shall be of good quality so that first class work in

accordance with the standards of construction set forth in the Contract Documents will result. Any work, materials or equipment which does not conform to these requirements or the standards set forth in the Contract Documents may be disapproved by Owner, in which case they shall be removed and replaced by Contractor.

1.5. Cleanup.

1.5.1. Contractor shall clean up the Premises in a thorough and workmanlike manner to the reasonable satisfaction of Owner wherever necessary during the progress of work and upon completion and when reasonably requested by Owner.

1.5.2. The cleaning upon Completion of the Work shall be a thorough final cleaning throughout, including washing or cleaning of all surfaces on which dirt or dust has collected. The glass and curtain wall shall be washed and cleaned on both sides by a window cleaning subcontractor specializing in such work. Contractor shall, at Owner's request, delay such washing of exterior surfaces to such time as requested by Owner. All equipment shall be new, in an undamaged, bright clean condition. Recleaning will not be required after the Work has been inspected and accepted unless later operations of Contractor, in the reasonable opinion of Owner, make re-cleaning of certain portions necessary.

1.5.3. The Premises shall be maintained in a neat and orderly condition and kept free from accumulation of waste materials and rubbish during the entire construction period. All crates, cartons and other flammable waste materials or trash shall be removed from the work areas at the end of each working day. Contractor shall, and shall require all subcontractors to, clean and maintain its portion of the Work as required and as directed by Owner. If the Work and Premises are not maintained properly, Owner may have any accumulations of waste materials or trash removed and charge the cost to Contractor.

1.5.4. Electrical closets, pipe and duct shafts, chases, furred spaces and similar spaces which are generally unfinished shall be cleaned by Contractor and left free from rubbish, loose plaster, mortar drippings, extraneous construction materials, dirt and dust before preliminary inspection of the Premises.

1.5.5. All areas of the Work in which painting and finishing work are to be performed shall be thoroughly cleaned throughout just prior to the start of such work and those areas shall be maintained in satisfactory condition for painting and finishing. This cleaning shall include the removal of trash and rubbish from these areas; broom cleaning of floors; the removal of any plaster, mortar, dust and other extraneous materials from all finished surfaces, including but not limited to, all exposed structural steel, miscellaneous metal, woodwork, plaster, masonry, concrete, mechanical and electrical equipment, piping, duct work, conduit, and also all surfaces visible after all permanent fixtures, induction unit covers, convector covers, covers for finned tube radiation, grilles, registers, and other such fixtures or devices are in place.

1.5.6. As soon as practical before Completion of the Work, Contractor shall dismantle all temporary facilities and remove from the Premises all construction and installation equipment, fences, scaffolding, surplus materials and rubbish of every kind and supplies and the like belonging to Contractor or subcontractors.

1.6. Safety. Contractor shall take all necessary precautions to keep the Premises free of safety hazards, and shall protect all materials, equipment and completed and partially completed work from loss and damage, including theft and damage by weather and, if necessary, shall provide suitable housing therefor, and shall correct any damage or disfigurement to contiguous work or property resulting from the Work. Contractor agrees that the prevention of accidents to workers engaged upon or in the vicinity of the Work is its responsibility. Contractor shall establish and implement safety measures, policies and standards conforming to those required or recommended by governmental or quasi-governmental authorities having jurisdiction. Contractor shall comply with the reasonable recommendations of insurance companies having an interest in the Work. Contractor shall issue its proposed safety

program to Owner for its approval and receive written approval from Owner prior to being provided access to the Premises.

1.7. Compliance With Laws.

1.7.1. Contractor agrees to comply with all federal and state laws, codes and regulations and all municipal laws, building codes, ordinances and regulations in force at the commencement of the Work, applicable to the Work to be performed under this Construction Contract, and to obtain at its own expense all licenses and permits necessary for the performance of the Work. Contractor shall also comply with the current applicable requirements of the American Insurance Association and other codes described in the Plans, or which are applicable to the performance of the Work. Contractor shall promptly, at its sole cost and expense, correct any violations of such laws, codes, regulations, ordinances and orders committed by Contractor, its subcontractors agents, servants and employees. Contractor shall pay all taxes, assessments and premiums under the Federal Social Security Act, any applicable Unemployment Insurance, Workmen's Compensation Act, Sales Tax, Use Tax, Personal Property Taxes or other applicable taxes or assessments now or hereafter in effect and payable by reason of or in connection with any part of the Work.

1.7.2. Each contractor and subcontractor shall comply with the redevelopment plan approved by the City and all federal, state and local codes, statutes, laws, ordinances, rules and regulations and to obtain at its own expense all licenses and permits necessary for the performance of the work.

1.7.3. Each contractor and subcontractor shall comply with all enterprise zone sales tax abatement programs and take all steps requested by Owner to maximize such opportunities.

1.7.4. Contractor shall obtain the building permit or permits necessary for the proper execution and completion of the Work to be performed by it.

1.7.5. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance or safety of performance of the Work and shall pay any costs or fees incurred in such compliance and any fines or penalties imposed for violation thereof and any costs or fees incurred by Owner due to any such violation.

1.7.6. It is not the responsibility of Contractor to make certain that the Contract Documents are in accordance with applicable laws, statutes, building codes, regulations or requirements of the American Insurance Association. If Contractor observes that any of the Contract Documents are at variance therewith in any respect, it shall promptly notify Owner and the Architect in writing, and any necessary changes shall be accomplished by appropriate Change Order; provided, however, if Contractor or any subcontractor performs any Work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to Owner and the Architect, it shall assume full responsibility therefor and shall bear all costs and expenses attributable thereto and for the correction thereof.

1.8. Title. Title to all work completed or in the course of construction or installation, all equipment, construction materials, tools and supplies, the cost of which is chargeable to the Work shall pass to Owner simultaneously with passage of title from the vendors thereof to Contractor.

1.9. Liens. Contractor shall keep the Premises free and clear from all liens and charges arising out of the Work, including materialmen's, laborers' and mechanics' liens, and shall give Owner prompt written notice of actual and prospective claims of any such liens or charges known to Contractor.

1.10. Warranty.

1.10.1. Contractor warrants to Owner that all materials, equipment and machinery furnished under the Contract Documents will be new unless otherwise specified and that all materials, equipment, machinery and Work will be of good quality, free from faults and defects and in conformance with the Contract Documents. If required by Architect or Owner, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

1.10.2. Contractor shall promptly correct all Work rejected by Architect or Owner as defective or as failing to conform to the Contract Documents whether observed or detected before or after Completion of the Work but within the time set forth in Section 1.10.3 below, and whether or not fabricated, installed or completed. Contractor shall bear all cost of correcting such rejected Work, including but not limited to damages to property not covered by Owner's insurance, and the fees or costs charged by any consultants of Owner and the cost of Architect's additional services thereby made necessary.

1.10.3. In addition to any guarantee or warranty contained in the Contract Documents or provided at law, Contractor guarantees that all Work shall be free from defects in workmanship and material, that Work shall be constructed and installed in accordance with the Contract Documents, and that all machinery and apparatus incorporated in the Work meets the tests, requirements and capacities prescribed in the Contract Documents. This guarantee applies to all defects and to all other matters occurring within a period of one (1) year from Completion of the Work or for four (4) full seasons of operation under full load conditions, whichever is later provided, however, that this guarantee shall apply to all defects and other matters occurring with respect to the roof for a period of fifteen (15) years and with respect to the plumbing (underground sanitary and storm sewers) for a period of two (2) years. Contractor shall also provide Owner with a Certificate of Limited Warranty in the form of Exhibit "C" attached hereto and made a part hereof. If any manufacturer or supplier of equipment or material furnishes a guarantee or warranty for a period in excess of the above stated period, Contractor shall assign such warranty to Contractor at the time the Work is Substantially Complete. In the event that any work is performed to correct, repair or remedy any portion of the work pursuant to any guarantee provided under the Contract Documents or otherwise available to Owner, the guarantee periods specified above or elsewhere in the Contract Documents shall begin anew from the date of Owner's acceptance of such work. Contractor further agrees that each Subcontract shall contain a guarantee of the work performed thereunder in the same form as the guarantee required of Contractor. Included in said guarantee shall be the statement that it shall be enforceable directly by Owner, if Owner so elects, or by any assignee of Owner. The guarantee of any subcontractor shall not relieve Contractor of its guarantee as set forth above and Owner may look to Contractor directly and in the first instance to correct any defects in the Work.

If at any time during the aforescribed guaranty period Owner shall give notice of a breach of guaranty obligation to Contractor or any applicable subcontractor Contractor or subcontractor or both shall, at no cost to Owner, cure such breach and the repair or replacement of any portion of the Work damaged or adversely affected by the curing of such breach. All such Work shall be performed by trades and persons reasonably acceptable to Owner with a minimum of inconvenience to Owner and at times least disruptive to the operation of the Project.

All defective or non-conforming portions of the Work shall be removed from the Premises if being replaced. The Work shall be corrected to comply with the Contract Documents without increase in the Contract Sum. Contractor shall bear the cost of making good all work destroyed or damaged by such removal or correction.

If Contractor does not commence to correct and/or remove such defective or non-conforming Work within ten (10) days after written notice from Architect or Owner, or if Contractor does not thereafter diligently prosecute such correction or removal, Owner may correct and/or remove same and may store any materials or equipment in connection therewith at the expense of Contractor. Contractor shall pay Owner all such costs including

compensation for additional architectural services, together with interest thereon from the date such sums are due to Owner at the Prime Rate of interest set forth in the Wall Street Journal and any costs incurred by Owner, including reasonable fees of counsel, to collect same.

1.10.4. The foregoing guarantees, warranties and remedies are not a limitation and shall not deprive Owner of any action, right or remedy otherwise available to it for breach of any of the provisions of the Contract Documents or for defects in the Work. The periods referred to above or such longer time as may be specified elsewhere in the Contract Documents shall not be construed as a limitation on the time in which Owner may pursue such other action, right or remedy.

#### 1.11. Quality Control.

1.11.1. Contractor shall at all times provide sufficient, safe and proper facilities for the inspection of the Work by Architect, Owner and the party loaning funds to Owner in connection with the Work (hereinafter referred to as the "Lender") and their respective representatives. Contractor shall, within twenty-four (24) hours after receiving written notice from Architect or Owner, proceed to take down and remove all portions of the Work which Architect, Owner or the applicable governmental authority shall have condemned as unsound, improper or in any way failing to conform hereto and shall replace the same with proper and satisfactory Work and make good all work damaged or destroyed thereby. The failure to discover or notify Contractor of defective or nonconforming Work at the time the Work, or any portion thereof is performed or completed by Architect or any other party inspecting the Work shall not relieve Contractor of full responsibility for replacement of the defective or nonconforming Work and all damages resulting therefrom. Contractor agrees and understands that neither Owner nor Architect will provide continuous or exhaustive inspection of Contractor's Work and that Contractor is fully responsible for the materials, procedures, methods and techniques utilized and for providing completed Work. Neither failure to inspect the Work nor, upon inspection, failure to uncover defects in the Work shall be deemed acceptance of the Work. If Owner elects to accept defective or nonconforming Work, Owner may require an appropriate adjustment in the Contract Sum. No inspection, testing or other administrative activity performed by or for the benefit of Architect or Owner shall relieve Contractor from the obligation to perform the Work in strict accordance with Contract Documents.

1.11.2. Contractor shall establish a quality control program reasonably satisfactory to Owner and Architect to include sufficient inspection and testing of all portions of the Work, coordinated with the proposed construction sequence, to insure conformance to the Contract Documents with respect to materials, workmanship, construction, finish, functional performance and identification. This quality control program shall encompass all aspects of the Work and shall include all specific tests, surveillance and procedures as required by, or to assure compliance with, the Contract Documents and applicable laws, statutes, ordinances and regulations. No portion of the Work shall be commenced until Owner approves such quality control program.

1.11.3. Contractor shall furnish reports of all inspections and daily job reports to Architect and Owner and shall in a timely manner distribute copies of all inspection reports, certificates of inspection, testing or approval directly to Architect, Owner and such other parties as Owner requests. Contractor shall give Architect and Owner timely notice of all tests and inspections, so that Architect and Owner may observe such inspection, testing or approval. Contractor shall be responsible for and bear all costs of such inspections, tests or approvals required by the Contract Documents or any public authority. Owner shall bear all costs of inspections, tests or approvals not required by the Contract Documents or any public authority, but which are requested by Owner; provided, however, that if any such inspection or testing reveals a failure of the Work to comply with the requirements of the Contract Documents or any laws, ordinances, regulations or orders of any public authority having jurisdiction over the Work and/or the Premises, then Contractor shall bear all costs thereof, including compensation for Architect's additional services made necessary by such failure. Required certificates of inspection, testing or approval shall be secured by Contractor and promptly delivered by it to Architect and Owner.

1.11.4. Contractor shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Work performed. All such books, records and other documents, shall be available for inspection, copying, audit and examination.

1.11.5. Contractor shall provide monthly Project status report books to Owner detailing the progress of the Work, compliance with the requirements of any redevelopment agreement now or hereafter entered into between Contractor and the City relating to the Project ("Redevelopment Agreement") and this Construction Contract and containing such other information reasonably requested by Owner.

1.12. Changes.

1.12.1. Owner hereby reserves the right at any time and from time to time, by written order (hereinafter referred to as a "Change Order") to Contractor, to make changes in the Work as it, in its sole discretion, may deem necessary. Contractor shall thereupon perform the changed Work in accordance with the terms of this Construction Contract and the Change Order. All change orders requested by Contractor or third parties (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Work must be submitted to Owner concurrently with monthly progress reports submitted by Contractor. No work relating to any change order or the furnishing of materials in connection therewith shall be commenced prior to the receipt of Owner's written approval.

1.12.2. Upon request of Owner, Contractor shall review all data presented to it by Owner relating to a change in the Work and shall upon the request of Owner expeditiously submit a written proposal for any applicable price and time adjustment attributable to Owner's request for information relating to a change in the Work, containing such detail and supporting documentation as Owner may require.

1.12.3. When a Change Order is issued pursuant to a change required by Owner, the Contract Sum shall be adjusted by the net amount of any direct savings and direct cost (as such terms are hereinafter defined) plus an amount equal to fifteen percent (15%) multiplied by such net amount. As used in this Construction Contract, Contractor's direct savings and direct costs shall mean and be limited to the aggregate of the cost incurred or savings resulting from the addition or deletion of the following items: (i) materials, including sales tax and cost of delivery; (ii) labor, including social security, old age and unemployment insurance, and fringe benefits required by agreement or custom; (iii) worker's compensation insurance; (iv) bond premiums if and to the extent actually increased; and (v) actual rent not greater than the rent charged in the locale for the reasonable value of equipment and machinery owned by Contractor.

1.12.4. If the parties are unable to agree upon the amount of the adjustment to the Contract Sum and the extent of any time adjustment, Owner may issue a directive to Contractor directing such Work to be performed by Contractor, and any adjustments shall be subject to ultimate determination in accordance herewith; provided, however, Contractor shall, nonetheless, proceed immediately with the changed Work. Contractor shall keep a detailed account of the direct savings and direct costs due to the changed Work separately from its other accounting records and shall make such records available to Owner at Owner's request. Failure to keep adequate and separate cost records of the changed Work, and to furnish same to Owner upon its request, shall constitute an acceptance on Contractor's part of any determination then made by Owner of the direct savings and direct costs of such changed Work. In no event shall Contractor proceed with changed Work without a Change Order or a directive issued pursuant to this Section 1.12 and Owner shall not be liable for any additional costs incurred or delays encountered in the performance of such changed Work without such a written Change Order. Contractor shall not make any change in the Work other than as set forth in a Change Order. All changes to the Work shall be deemed a part of the Work and shall be governed by this Construction Contract.

1.12.5. All change orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project or any plans or specifications must be submitted to Owner and

the City concurrently with monthly progress reports submitted by Contractor and each subcontractor. Any change order relating to any of the following must be submitted to Owner and the City for their prior written approval: (a) a reduction in the square footage of the Project; (b) a change in the proposed use of the Project to a use other than those uses permitted under the Redevelopment Agreement; or (c) a delay in the completion of the Project. No work relating to any change order or the furnishing of materials in connection therewith shall be commenced prior to the receipt of Owner's and the City's written approval.

1.13. Authority. The Architect and Owner shall have the authority to reject Work which does not conform to the Contract Documents. Whenever, in the reasonable opinion of the Architect or Owner, it is necessary or advisable to ensure the proper implementation of the intent of the Contract Documents, it will have authority to require special inspection or testing of the Work. The Architect, to act under this Section 1.13, nor any decision made by it either to exercise or not to exercise such authority, shall give rise under the Contract Documents to any duty, liability or responsibility of Owner. Owner shall be the interpreter of the Contract Documents and shall be the judge of the performance of Contractor and subcontractors. Subject to the provisions of Article VII hereof, claims, disputes and other matters of controversy relating to the Contract Documents or the Work shall be decided by Owner. The decision of Owner shall be final if consistent with the Contract Documents. The authority of Owner contained in this Section 1.13 shall be deemed to be an independent covenant of the Contract Documents.

1.14. Means, Methods and Techniques. The means, methods, techniques, sequences, procedures and safety measures utilized in the performance of the Work are the sole responsibility of Contractor. Any means, method, technique, sequence or procedure set forth in the Contract Documents is solely to specify the desired end result; and if the means, method, technique, sequence or procedure will not result in the desired end result or is unsafe or illegal, it is Contractor's responsibility to select a correct means, method, technique, sequence or procedure. Nothing in the review of the general quality and progress of the Work, including review of submittals and work by the Architect and Owner, shall be construed as the assumption of authority for administration or supervision over the performance of the Work.

1.15. Construction Progress Schedule.

1.15.1. Contractor has heretofore prepared and submitted to Architect and Owner an estimated Construction Progress Schedule for the Work, which is attached to this Construction Contract as Exhibit "D" (hereinafter referred to as the "Construction Progress Schedule"). Owner's review of the Construction Progress Schedule and the monthly schedules described in Paragraph 1.15.3 hereof shall not indicate approval or disapproval thereof, it being understood that the interrelation and scheduling of trades and subcontracts is the obligation of Contractor, with the obligation of Owner being limited to an authorization of the date of commencement of construction and a confirmation of a proposed date of Completion of the Work. The Construction Progress Schedule relates to the Work and indicates the estimated dates for the starting and completion of the various stages thereof.

1.15.2. The Construction Progress Schedule shall be a logic network prepared in the critical path method or other sequential network in use within the construction industry and shall depict: (i) a sequence of operations mutually agreeable to Owner, Architect and Contractor; (ii) the dates of commencement and completion of each of the various stages of the Work (including lead time activities, drawing and Sample submissions, bidding, awarding subcontracts, manufacturing and shipping); and (iii) delivery dates for materials and equipment. The Construction Progress Schedule includes a complete itemized breakdown of the Work. It shall be Contractor's responsibility to use its best efforts and to act with due diligence to maintain the progress of the Work in accordance with the Construction Progress Schedule. Notwithstanding any other provisions hereof to the contrary, the time for completion may be extended only by a written Change Order executed by Owner and Contractor.

1.15.3. Contractor shall, monthly during the progress of the Work, submit to Owner an updated Construction Progress Schedule. Such schedules shall be submitted to Owner on forms provided or approved by

Owner on or before the tenth (10th) day of each calendar month. Such monthly schedules shall with detail satisfactory to Owner: (i) depict the current progress of the Work; (ii) indicate methods of overcoming any past delay; (iii) indicate all past and future cash flow requirements; and (iv) contain a manpower projection which shall project the total number of laborers and material projected to be necessary for diligent prosecution of the Work for each future month until Completion of the Work.

1.16. Shop Drawings and Samples.

1.16.1. Contractor shall review, approve and submit to Architect and Owner with reasonable promptness and in orderly sequence, consistent with the Construction Progress Schedule (as defined above), shop drawings and samples for all materials and equipment required by the Contract Documents. Shop drawings and samples shall be properly identified as specified or as Owner or Architect may require. At the time of submission, Contractor shall inform Architect and Owner in writing of any deviation in the shop drawings or samples from the requirements of the Contract Documents and any deficiency thereof relating to a defect in or incomplete design discovered by Contractor. Architect shall review any recommended completion of or correction to the Plans.

1.16.2. Contractor shall make any change or corrections required by Owner or Architect and shall resubmit the required number of corrected copies of shop drawings or new samples, until acceptable. If Contractor determines any change or correction required by Owner or Architect shall result in an increase in the Contract Sum or extension of the applicable Completion Date, it shall notify Owner and Architect of the need for such change with ten (10) days of request for such change, otherwise such changes or corrections shall be accomplished without any increase in the Contract Sum or extension of the applicable Completion Date. Contractor shall direct specific attention in writing or on resubmitted Shop Drawings to revisions other than the corrections requested by Architect on previous submissions.

1.16.3. Contractor is to have final choice in all items originally specified in multiple choice or in the manner of "or other equal thereto". No such choice of Contractor shall have any cost consequence to Owner. All costs to contiguous and adjacent portions of the Work occasioned by such choice or by approval of substitutions offered or requested by Contractor are to be borne by Contractor. When two (2) or more products are specified for an item of work, any one (1) thereof shall be deemed acceptable. When only one (1) product is specified and either the term "or equal" is used in connection with the product or no product is specified, then Contractor may offer for Owner's review a substitute product which will completely accomplish the purpose of the Contract Documents. Contractor shall offer for Owner's review a substitute product which will completely accomplish the purpose of the Contract Documents in the event that the specified product is not available or will not produce the desired result. Requests for substitution of products, materials or processes other than those specified will be deemed a warranty by Contractor submitting same, and shall be accompanied by evidence to support such warranty, that the proposed substitution: (1) is equal in quality and serviceability to the specified item; (2) will not entail changes in detail and construction of related work; and (3) will not provide a cost disadvantage to Owner. The aforesaid warranty shall not be deemed to warrant the required design or artistic effect of such substitution. Contractor will furnish with its request such drawings, specifications, samples, performance data and other information as may be required of it to assist Owner in determining whether the proposed substitution is acceptable. The burden of proof of the fact above stated shall be upon Contractor; however, the final decision shall be that of Owner, which decision shall be consistent with the intent of the Contract Documents.

1.16.4. No portion of the Work requiring submission of a shop drawing or sample shall be commenced until the submission has been reviewed by Architect and Owner and submitted to Architect and Owner. All such portions of the Work shall be in accordance with approved shop drawings or samples. Contractor shall maintain at the Premises a complete and up-to-date file and status schedule of all approved and unapproved shop drawings and samples.

1.16.5. Contractor shall maintain at the Premises for Owner and Architect one (1) copy of all drawings, specifications, addenda, approved shop drawings, Change Orders and other modifications, in good order and marked to record all changes made during construction. These documents, marked to record all changes made during construction, shall be available to Architect and Owner and shall be delivered to Owner as a condition precedent to Completion of the Work.

1.16.6. Contractor shall be responsible for the repair of all damage to the Work unless caused by Owner. All repair, cutting, fitting or patching of the Work that may be required to correct damaged Work to make its several parts fit together properly, shall be promptly done by the trade whose work is to be cut, fit or patched in a manner that will not endanger the Work and will leave same in good condition, and shall be paid for by Contractor. Notwithstanding the foregoing, structural members shall not be cut except upon written authority of the Architect, Owner and Contractor. Work done contrary to such authority is at the risk of Contractor, subject to replacement at its own expense and without reimbursement under the Contract. Permission to patch any areas or items of work shall not constitute a waiver of the right to require complete removal and replacement of said areas or items of work, if, in the Architect's or Owner's opinion, said patching does not satisfactorily restore quality and appearance of same.

1.17. Equipment.

1.17.1. Contractor shall prepare and submit to Architect and Owner, as subcontracts or sub-subcontracts are let, comprehensive lists in duplicate of the manufacturer's products proposed for the Work. Such lists shall include information on materials, equipment and fixtures as may be required for the Architect's and Owner's preliminary review. Review of such lists of products shall not be construed as a substitute for the shop drawings, manufacturer's descriptive data and samples which are required by the Contract Documents, but rather as a base from which more detailed submittals shall be developed for the Architect's and Owner's final review.

1.17.2. Where required by any technical section of the Contract Documents, Contractor shall submit a statement of application as specified and in the form attached prior to preliminary acceptance of the Work by Owner. If deviations from the Contract Documents have been necessary, or if, in the expert opinion of Contractor, subcontractor, fabricator or installer, the application as shown deviates from normal and proper application as recommended by the manufacturer, or if job conditions have necessitated deviations from manufacturer's instructions or other minimum standards of good practice, and if such deviation has been agreed upon by Architect or Owner, fabricator and installer prior to the installation, then such deviations shall be recorded on the statement of application. Otherwise, the statement of application shall be submitted as specified without qualification.

1.17.3. Manufacturers' nameplates shall not be permanently attached to ornamental and miscellaneous metal work, doors, frames, millwork and similar factory-fabricated products, furnishings, equipment and accessories on which, in the opinion of Owner, the nameplates would be objectionable if visible after installation of the Work. This does not apply to Underwriters' Laboratories' labels, where required.

1.17.4. Each major component of the mechanical and electrical equipment shall have the manufacturer's name, address, model number and rating on a plate securely affixed in a conspicuous place, as required in the mechanical and electrical sections of the specifications.

1.17.5. When the colors of factory-finished equipment are specified to be selected by the Architect, the colors selected may not be the manufacturer's standard colors, in which case special colors shall be provided as required. Contractor shall notify Owner in the event such selection involves an additional cost and an appropriate Change Order shall be so issued if after such notification Owner does not disaffirm such selection. Contractor or subcontractor will submit samples of all colors for Owner's approval.

1.17.6. All manufactured articles, materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the manufacturer's written specifications or instructions except as otherwise specified herein. Contractor shall furnish to the Architect and Owner five (5) copies of such specifications or instructions as may be required in the technical sections of the specifications before proceeding with the Work.

1.17.8. In case of any differences or conflicts between the requirements of the manufacturer's instructions or specifications and the technical sections of the specifications, the instructions or specifications having the more detailed and precise requirements which are specifically applicable to the work in question, as determined by Owner, shall govern. Contractor shall assign or have assigned to Owner any and all manufacturer's warranties with respect to any item of equipment or material for which such warranty was issued.

1.18. Operation and Maintenance Instructions. Contractor shall furnish three (3) complete sets of manuals, containing the manufacturers' instructions for maintenance and operation of each item of equipment and apparatus furnished under the Contract Documents, a manufacturer's parts list, a current price list and any additional data specifically required under the various sections of the specifications for each division of the Work. The manuals shall be arranged in proper order, indexed and suitably bound. At the Completion of the Work, Contractor shall certify and shall obtain and deliver to Owner the certification of each subcontractor, by endorsement thereon, that each of the manuals is complete and accurate. Prior to Contractor's application for final payment and as a condition precedent to Final Payment Contractor shall deliver the manuals, arranged in proper order, indexed and endorsed as hereinbefore specified and assembled for all divisions of the Work and submit them to Owner. Contractor shall provide suitable transfer cases and deliver the records therein, indexed and marked for each division of the Work.

1.19. Training. Contractor shall provide Owner and the Purchaser of all units in the Project with training relating to the operation and maintenance of all systems in the Project.

## ARTICLE II Payment

2.1. Progress Payments. Provided Contractor shall not be in default in the performance of any provision of this Construction Contract to be performed by Contractor, Contractor shall receive in payment of its performance hereunder an amount equal to the Contract Sum. Payments shall be made in monthly installments as the Work progresses. On one (1) occasion during each month, Contractor shall submit to Owner and Architect a written requisition in an approved form for payment showing the proportionate value in relation to the total price herein of the Work theretofore performed, from which shall be deducted a reserve of ten percent (10%) until the Project is fifty percent (50%) complete. The balance of the requisition, to the extent approved by Owner or its agent, shall be payable to Contractor within fifteen (15) days after such approval. Each requisition for payment shall be accompanied by a sworn statement of Contractor listing the total amount of Work performed and material supplied by Contractor and all of its subcontractors and material suppliers; the amount of previous payments; a breakdown allocating the total payments to Contractor, its subcontractors and materialmen; any amount charged for overhead and profit; the amount of the aforesaid reserve; and the balance to complete the Work. Said statement shall be accompanied by waivers of lien of Contractor, its subcontractors and materialmen in the total amount of all payments to be made in accord with the laws of the state where the Premises are located, and shall be acceptable to Owner and any disbursement agent or title insurance company acting on Owner's behalf and Lender. Evidence of clear title to all personal property, equipment and fixtures shall be presented to Owner prior to any payment therefor. Owner may at its discretion make any applicable portion of any payment not in dispute between Contractor and any applicable subcontractor to any subcontractor or through any applicable title insurer or payout agent, or both; provided, however, that no contractual relationship shall be construed as a result of any such direct payment. If such payments are not made directly to any subcontractor, Contractor shall make the requisite payment to all

subcontractors within ten (10) days of receipt thereof, failing which, Contractor shall thereupon return to Owner any portion of any payment not so paid to a subcontractor. Unless payments are made to a subcontractor directly by Owner, Owner shall be under no obligation to pay or insure payment to subcontractors, such obligation to be that of Contractor. Simultaneously, and as a condition to receiving the last payment of the Contract Sum due hereunder, Contractor shall deliver to Owner a final sworn contractor's statement and final waivers of lien of Contractor, its subcontractors and material suppliers sufficient to waive and release any and all claims of compensation due or to become due in consideration of the Work.

All payments to Contractor may, at Owner's sole option, be made through a construction escrow with a title insurance company designated by Owner (hereinafter referred to as the "Title Company"). The escrow shall be on terms and conditions of the Title Company's standard construction escrow modified to conform to this Construction Contract and acceptable to Owner. All of the documentation required by this Section 2.1 shall be delivered to and reviewed by the Title Company and subject to the reasonable approval of the Title Company.

2.2. Reserve. Payment of the reserve shall be made to Contractor within thirty (30) days after Substantial Completion of the Work in accordance with the terms of this Construction Contract.

2.3. Final Completion.

2.3.1. Within ten (10) days of receipt of written notice from Contractor that the Work is completed and ready for final inspection and acceptance, Owner and Architect shall make such inspection, and if Owner finds that the Work and other obligations of Contractor are fully completed, then Owner shall, within five (5) days thereafter, either signify his acceptance in writing to Contractor stating that there has been Completion of Work and it is acceptable to Owner under the terms and conditions of the Contract Documents, or notify Contractor in writing as to the reason or reasons why Owner refuses to accept the Work. The date of issuance of the written notice of acceptance shall be designated as the date of Completion of the Work. Prior to final payment of the Contract Sum, Contractor shall fully demonstrate the use and function of each system or piece of equipment included in the Work. A final application for payment may be made fifteen (15) days after the date of Completion of the Work, provided that no mechanic's liens are in effect.

2.3.2. If Completion of the Work has occurred, but minor items remain to be performed through no fault of Contractor, Owner may, in its sole discretion, issue its acceptance of the Work, subject to such items listed on the Punch List which shall be set forth in the notice of acceptance as provided in Paragraph 2.3.1 above, and one hundred twenty five percent (125%) of the cost of such incomplete items (as determined by Owner) shall be retained by Owner. The amount so retained shall not become due and payable to Contractor until Owner shall certify, in writing, that said items listed have been completed, Owner's inspection shall confirm such to be correct and Contractor shall submit an application for payment with respect to such items. If such items are not completed within sixty (60) days after Substantial Completion of the Work, Owner may, in its sole discretion, cause same to be completed by such persons or entities as Owner shall choose, and the cost of same shall be paid by Contractor or deducted, to the extent possible, from any sums then due Contractor hereunder.

2.3.3. Payment upon Completion of the Work is subject to receipt from Contractor and approval by Owner and Lender of final documents of similar nature to those required by the Contract Documents for any monthly payment hereunder, together with the following:

2.3.3.1. all final permits, approvals, certificates and authorizations for use and occupancy of the completed Work required by any authority having jurisdiction, including necessary occupancy and use permits, and all sets of drawings which were stamped and approved by any applicable governmental agency;

## **E. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS**

Structures below minimum code standards include all structures which do not meet the standards of subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed so that they will be strong enough to support the loads expected, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

Determination of the presence of structures below minimum code standards was based upon visible defects and advanced deterioration of building components from the exterior surveys, which was then compared to the of City of Chicago's Building Code Violations for the Pilsen Area between 1/1/94 and 6/20/97.

### **Conclusion**

#### **Industrial District**

Existence of structures below minimum code standards is present to a major extent in 40 blocks and to a limited extent in 14 blocks affecting 167 of the 343 buildings. Advanced defects, which are below the minimum code standards, are visible on the exterior of these buildings.

#### **Commercial District**

Existence of structures below minimum code standards is present to a major extent in six blocks and to a limited extent in nine blocks affecting 110 of the 167 buildings. Advanced defects, which are below the minimum code standards, are visible on the exterior of these buildings.

Figure 8 illustrates the location of buildings below minimum code standards.

## **G. ABANDONMENT**

Abandonment as a factor applies only to conservation areas. Webster's New Collegiate Dictionary defines "abandonment" as "to give up with the intent of never again claiming one's right or interest"; or "to give over or surrender completely; to desert."

### **Conclusion**

Based on the analysis of properties within the commercial district of the Project Area, abandonment as a factor is not found to be present.

## **H. EXCESSIVE VACANCIES**

Excessive vacancies as a factor refers to the presence of buildings or sites which are either unoccupied or not fully utilized, and which exert an adverse influence on the surrounding area because of the frequency or duration of vacancies. Excessive vacancies include properties for which there is little expectation for future occupancy or utilization.

Excessive building vacancies are found throughout much of the entire Project Area. Vacancies include buildings which are entirely vacant and buildings with vacant floor areas. Vacancies are prevalent in both industrial buildings, including large multi-story warehouses, commercial buildings and residential buildings.

Information regarding vacancies in individual buildings was obtained from exterior building surveys conducted by TPAP and Andrew Heard & Associates. Vacancies were determined by the presence of a combination of the following factors: shuttered or gutted buildings, boarded buildings, obvious vacant units, or signs advertising building space available.

### **Conclusion**

#### **Industrial District**

Excessive vacancies as a factor is present to a major extent in 15 blocks and to a limited extent in 23 blocks and includes vacant buildings and vacant space within buildings.

#### **Commercial District**

Excessive vacancies as a factor is present to a limited extent in 11 blocks and includes vacant buildings and vacant space within buildings.

Figure 9. *Excessive Vacancies*, illustrates buildings in the Project Area which are 20 percent or more vacant.

## **I. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES**

Overcrowding of structures and community facilities refers to the utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings originally designed for a specific use and later converted to accommodate a more intensive use without adequate regard for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

**Conclusion**

No conditions of overcrowding of structures and community facilities have been documented as part of the exterior surveys undertaken within the Project Area.

**J. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES**

Lack of ventilation, light, or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, *e.g.*, residents, employees, or visitors.

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, *i.e.*, bathrooms, and rooms that produce dust, odor or smoke;
- Adequate natural light and ventilation by means of skylights or windows, proper window sizes, and adequate room area to window area ratios; and
- Adequate sanitary facilities, *i.e.*, garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

**Conclusion**

The factor of lack of ventilation, light, or sanitary facilities is not documented as part of the exterior surveys conducted for the Project Area.

**K. INADEQUATE UTILITIES**

Inadequate utilities refers to deficiencies in the capacity or condition of utilities which service a property or area: including, but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, gas and electricity.

**Conclusion**

No determination of existing utilities and conditions of inadequate utilities has been documented as part of the surveys and analyses undertaken within the Project Area.

**L. EXCESSIVE LAND COVERAGE**

Excessive land coverage refers to the over-intensive use of land and the crowding of buildings and accessory facilities on a site. Problem conditions include buildings either improperly situated on the

parcel or located on parcels of inadequate size and shape in relation to present-day standards for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of the spread of fires due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provisions for loading and service. Excessive land coverage has an adverse or blighting effect on nearby development.

### **Conclusion**

#### **Industrial District**

Excessive land coverage as a factor is present to a major extent in eight blocks and to a limited extent in seven blocks. Excessive land coverage includes parcels which exhibit inadequate space for off-street parking, loading and service due to the position or size of the buildings located on the parcel.

#### **Commercial District**

Excessive land coverage as a factor is present to a major extent in one block and to a limited extent in one block. Excessive land coverage includes parcels with multiple buildings, including rear buildings fronting on alleys and buildings which cover the site to an extent which allows limited or lack of off-street parking, loading and service.

Figure 10. *Excessive Land Coverage*, illustrates buildings and sites in the Project Area which exhibit excessive land coverage.

## **M. DELETERIOUS LAND-USE OR LAYOUT**

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed uses, and uses which may be considered noxious, offensive or otherwise environmentally unsuitable.

Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other nearby buildings.

Throughout much of the Project Area, there are blocks which contain a mixture of uses including residential uses located within commercial corridors, or residential uses in industrial areas or in close proximity to industrial blocks. Several enclaves of blocks with residential frontage are surrounded by industrial activity. The incompatible mix and resulting impact continues to have a negative affect in the area blocks where these conditions are present. Deleterious layout include the

inconsistent pattern of blocks with super blocks along the river and other large blocks. These blocks combined with active and inactive rail spurs, limited access to the interior of blocks and confusing interior circulation are additional impacts on the area.

## Conclusion

### Industrial District

Deleterious land use or layout includes incompatible uses and improper platting or layout of parcels or buildings in relation to proper orientation of structures on a property. Deleterious land use is present to a major extent in 12 blocks and to a limited extent in three blocks.

### Commercial District

Deleterious land use or layout includes incompatible uses and improper platting or layout of parcels or buildings in relation to proper orientation of structures on a property. Deleterious land use is present to a major extent in three blocks and to a limited extent in 10 blocks.

Figure 11, *Deleterious Land Use or Layout*, illustrates sites in the Project Area which exhibit deleterious land use or layout.

## N. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the deferred maintenance of buildings, parking areas and public improvements such as alleys, sidewalks and streets.

The presence of this factor within the Project Area includes:

- Buildings and Premises. In the industrial district, 282 of the 343 total buildings suffer from deferred maintenance of windows, doors, store fronts, exterior walls, cornices, fire escapes, porches and steps, loading docks, fascias gutters and downspouts and chimneys. In the commercial district, 123 of the 167 total buildings suffer from deferred maintenance as stated above. Yards and premises throughout much of the entire Project Area contain high weeds, deteriorated fencing, exposed junk storage, including junk cars, and debris.
- Streets, alleys, sidewalks, curbs and gutters. Deterioration of these improvements is widespread throughout the area's local interior streets. Pavement conditions are poor with pot holes, exposing the initial brick pavers and sections of curb and sidewalks are broken or missing. Fly dumping, including car tires, garbage bags, litter and debris is present on local streets near and under viaducts and along where streets terminate at the South Branch of the Chicago River. Most all of the underutilized and vacant land and parcels contain large amount of debris, high weeds and discarded refuse.

- Parking surface and site surface areas. Large parking areas within the industrial blocks contain only gravel surface with pot holes, weed growth and depressions. Industrial and commercial properties along major streets contain parking surface with either gravel or deteriorated asphalt and lack striping or bumper stops.

## **Conclusion**

### **Industrial District**

Depreciation of physical maintenance as a factor is present to a major extent throughout the entire industrial area. This includes deferred maintenance or lack of maintenance of buildings and premises, including surface parking and loading areas, streets, curbs, gutters, sidewalks and vacant or underutilized land areas filled with debris and weed growth.

### **Commercial District**

Depreciation of physical maintenance as a factor is present to a major extent throughout almost the entire commercial district except for the four blocks along the Oakley Avenue frontage, between Blue Island Avenue and 23rd Place.

Figure 12, *Depreciation of Physical Maintenance*, illustrates the presence of the factor in the built-up portions of the Project Area.

## **O. LACK OF COMMUNITY PLANNING**

The Project Area blocks were platted and buildings were constructed prior to the existence of a community plan. Industrial and commercial blocks were originally platted and developed on a parcel-by-parcel and building-by-building basis, with little evidence of coordination and planning among buildings and activities. The area contains both large and small blocks for industrial use, incompatible relationship with residential activity in several areas and, limited east-west access, to a majority of the industrial activity, including low viaduct clearance from the Archer Avenue side of the area. The lack of community planning prior to development has contributed to some of the problem conditions which characterize the overall Project Area.

## **Conclusion**

### **Industrial District**

Lack of community planning is present to a major extent throughout the entire industrial area. The irregular block size and pattern, limited interior street access, mix of industrial, commercial and residential areas, and building setbacks occurred without the benefit or guidelines of a community plan during the early development of the area. The factor of a lack of community planning is present to a major extent throughout the industrial district of the Project Area.

**Commercial District**

Lack of community planning is present to a major extent throughout the entire commercial district. The narrow lot size, placement of buildings, lack of adequate parking and provisions for loading and service, and the existence of residential properties mixed with commercial buildings, occurred on a building by building basis during the early development of these corridors without guidelines for building set backs, parking and loading standards as part of an overall community plan.

**IV. DETERMINATION OF PROJECT AREA ELIGIBILITY****INDUSTRIAL DISTRICT - BLIGHTED AREA**

The industrial district of the Project Area meets the requirements of the Act for designation as an improved "blighted area". There is a reasonable presence and distribution of 10 of the 14 factors listed in the Act for improved blighted areas. These blighting factors include the following.

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Structures below minimum code standards
6. Excessive vacancies
7. Excessive land coverage
8. Deleterious land-use or layout
9. Depreciation of physical maintenance
10. Lack of community planning

**COMMERCIAL DISTRICT - CONSERVATION AREA**

The commercial district of the Project Area meets the requirements of the Act for designation as a "conservation area." Over 50 percent of the buildings are 35 years in age or older. Of the total 167 buildings in the commercial district, 152 (or 91 percent) are 35 years of age or older.

In addition to age, there is a reasonable presence and distribution of nine of the 14 factors listed in the Act for conservation areas. These conservation factors include the following:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Structures below minimum code standards
5. Excessive vacancies
6. Excessive land coverage
7. Deleterious land use or layout
8. Depreciation of physical maintenance
9. Lack of community planning

The commercial district is not yet a blighted area but shows evidence of continuing deterioration and decline and may become a blighted area.

A summary of conservation and blight factors by block is contained in Table 3, *Distribution of Blighting Factors in Industrial District* and Table 4, *Distribution of Conservation Factors in Commercial District*.

The eligibility findings indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Project Area is deteriorating and declining. All factors indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.

[Figures 1 through 12(b) referred to in this Eligibility Study for  
Pilsen Tax Increment Financing Redevelopment Project  
and Plan printed on pages 70642 through  
70662 of this Journal.]

[Tables 1, 2, 3 and 4 referred to in this Eligibility Study for  
Pilsen Tax Increment Financing Redevelopment Project  
and Plan printed on pages 70663 through  
70670 of this Journal.]

Figure 1.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Boundary Map.

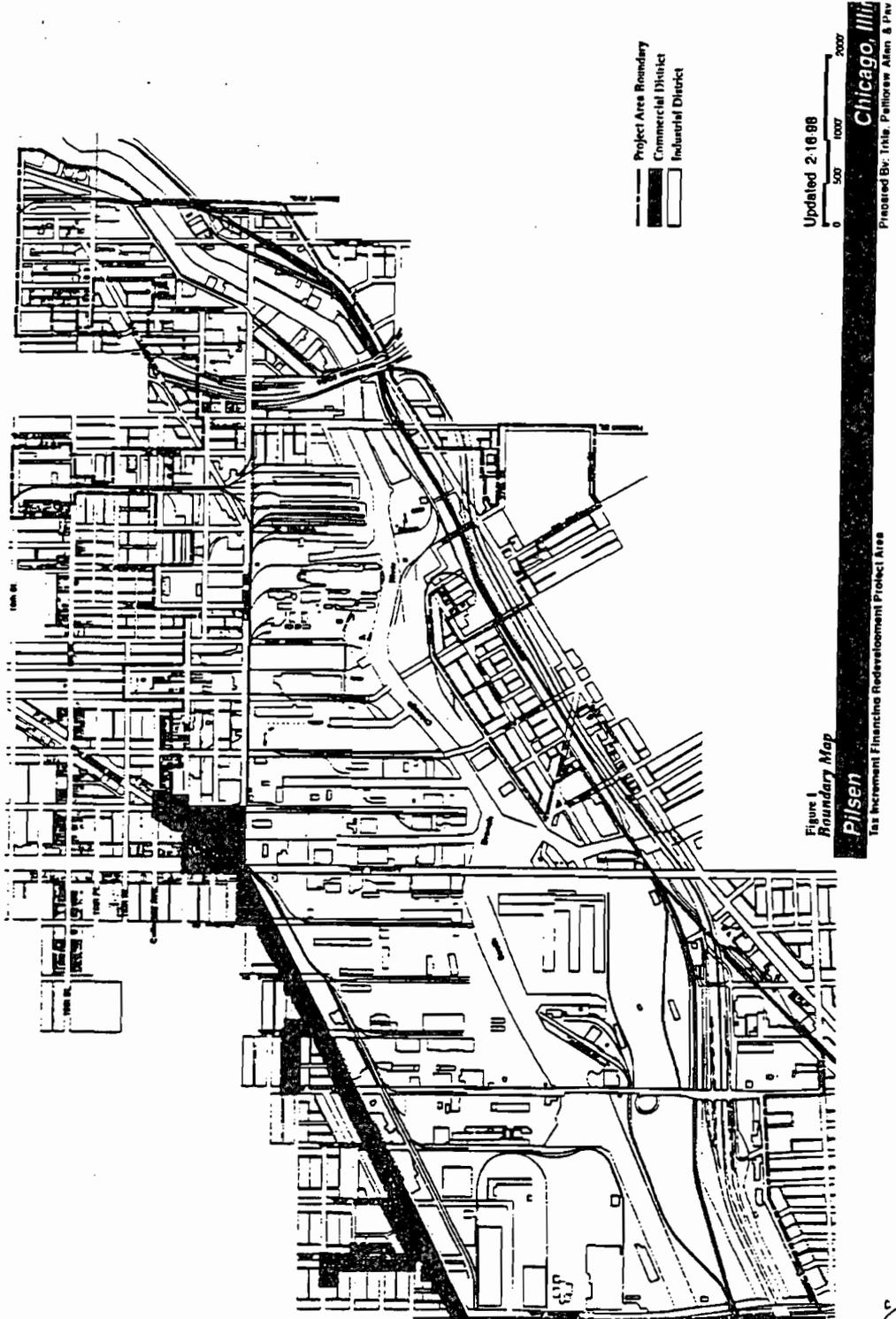
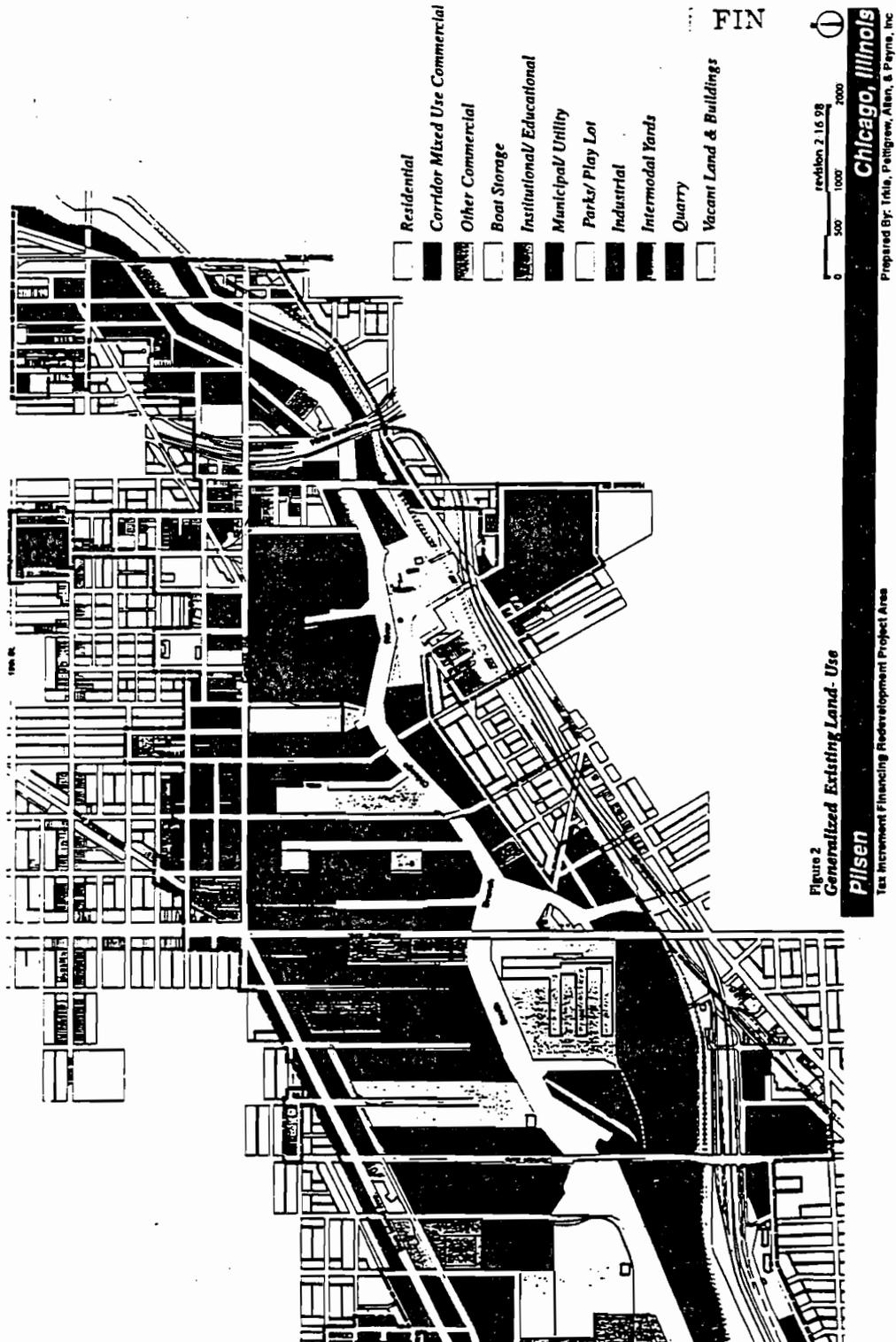


Figure 2.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Generalized Existing Land-Use.



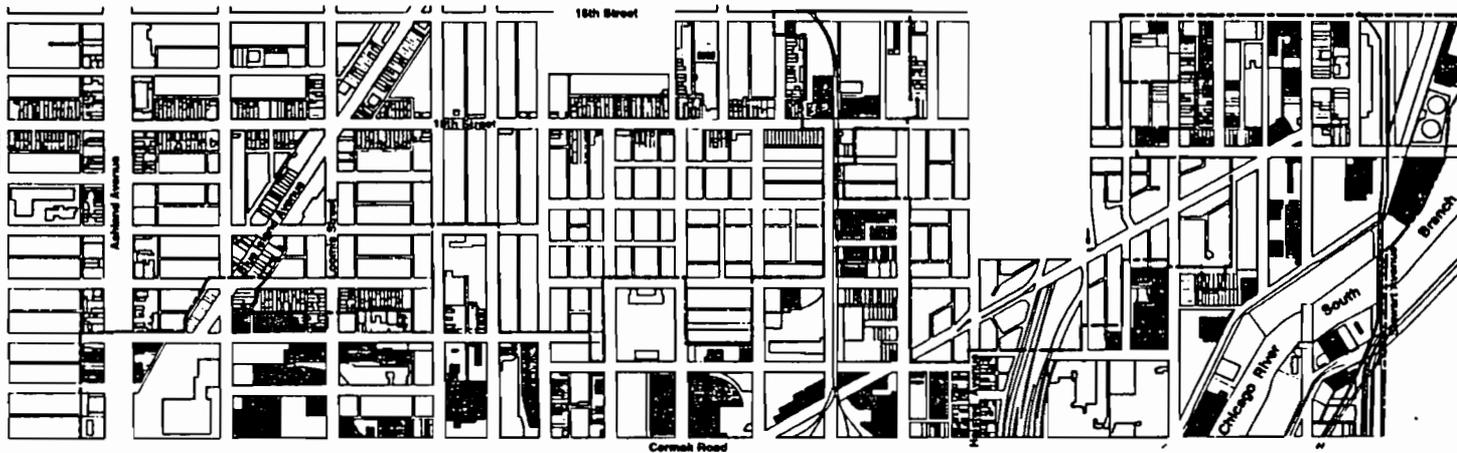
revision 2.16.98  
0 500 1000 2000  
Chicago, Illinois  
Prepared By: Ibia, Pellegrini, Allen, & Payne, Inc.

Figure 2  
Generalized Existing Land-Use  
Pilsen  
Tax Increment Financing Redevelopment Project Area



Figure 4a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Age.  
(Northern)



Buildings 35 Years or Older

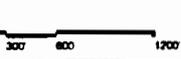


Figure 4a  
Age

en (Northern)

crement Financing Redevelopment Project Area

Chicago, Illinois

Prepared By: Trida, Pettigrew, Allen, & Payne, Inc.

Figure 4b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

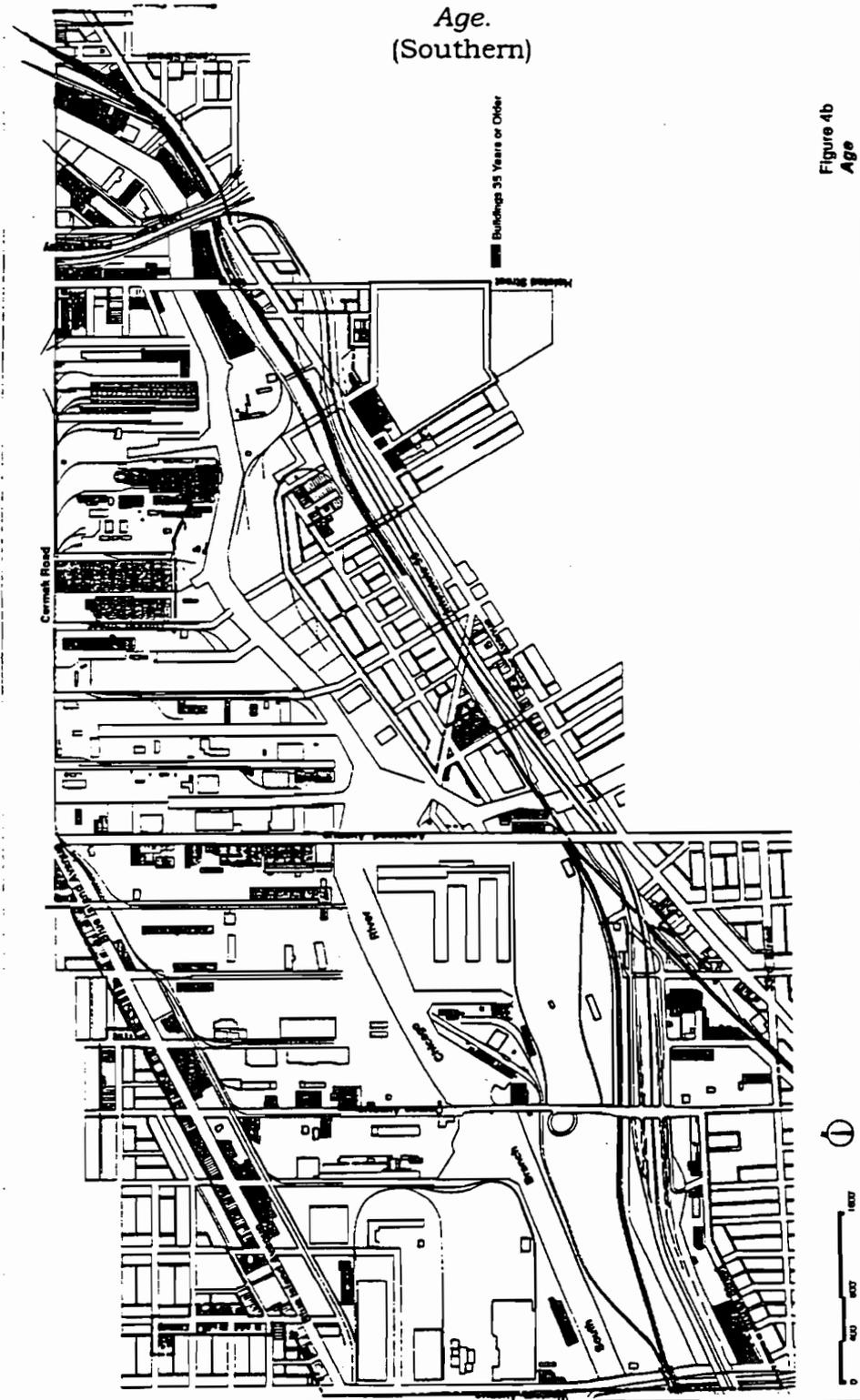


Figure 4b  
Age

Chicago, Illinois  
Prepared by: Irla, Parigian, Allen, & Payne, Inc.

Pilsen (Southern)  
Tax Increment Financing Redevelopment Project Area

Figure 5a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Dilapidation.  
(Northern)

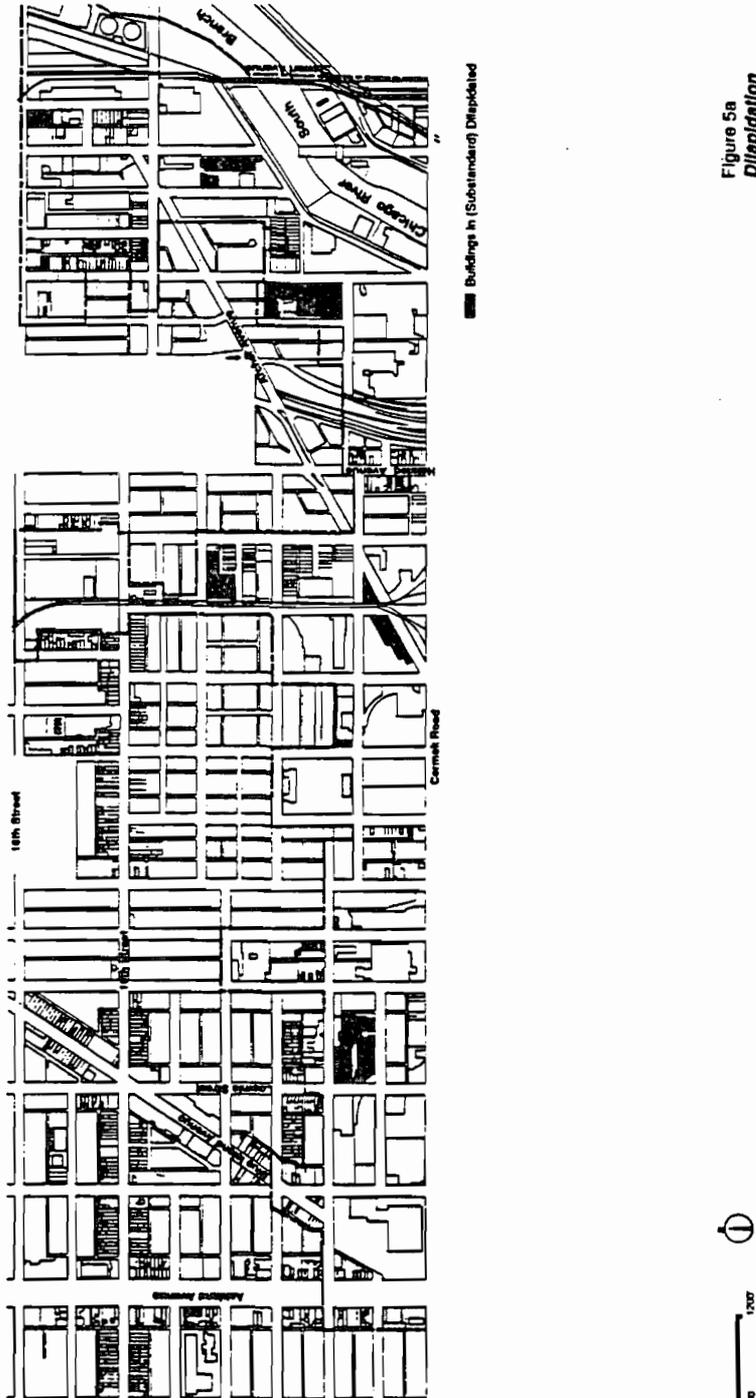


Figure 5a  
Dilapidation  
Chicago, Illinois  
Prepared By: Tishin, Pullarone, Allen, & Evans, Inc.

Figure 5b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Dilapidation.  
(Southern)

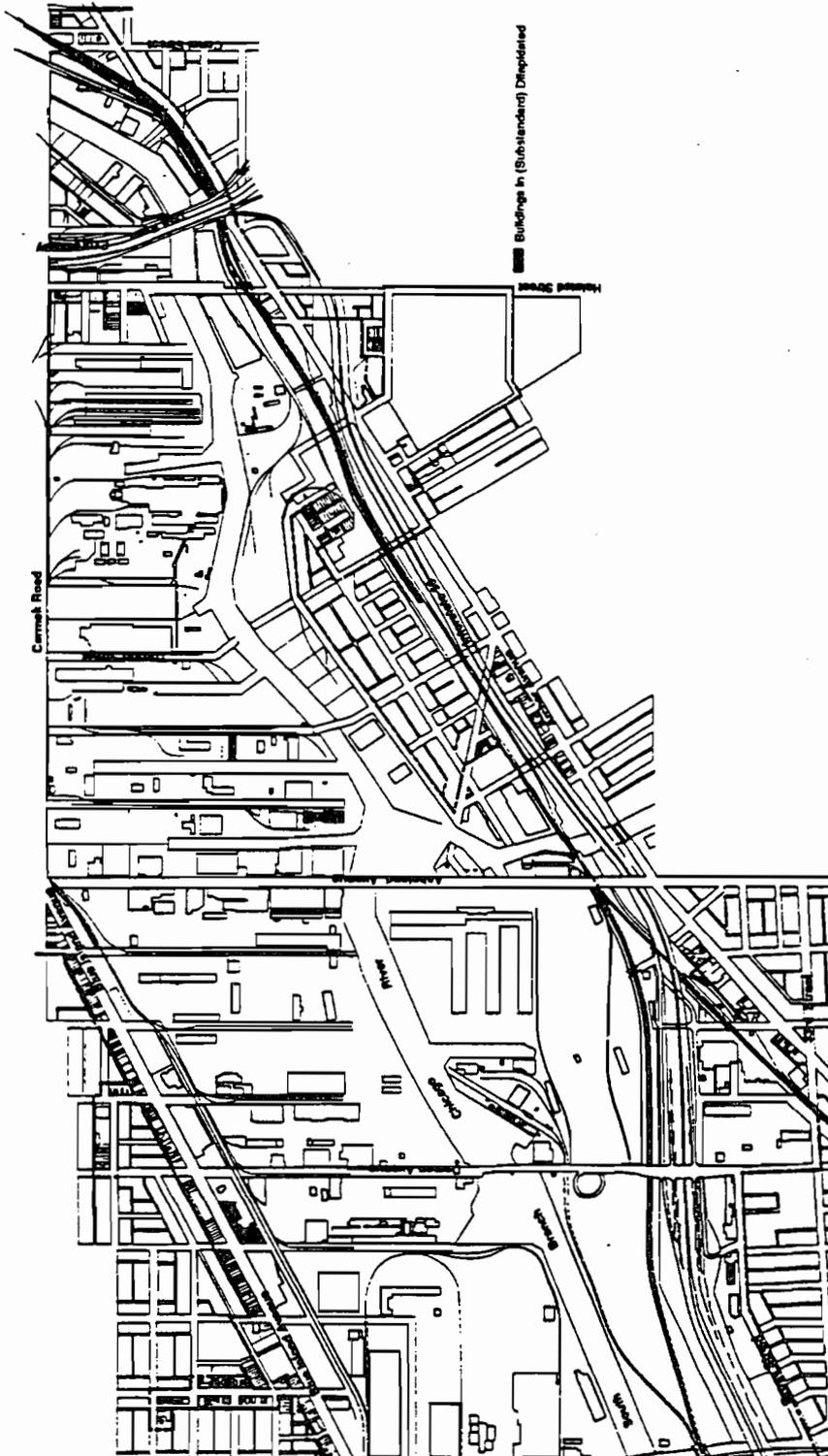


Figure 5b  
Dilapidation  
Chicago, Illinois  
Prepared By: Irlin, Penigrew, Alton, & Payne, Inc.

Pilsen (Southern)  
Tax Increment Financing Redevelopment Project Area

Figure 6a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Obsolescence.  
(Northern)

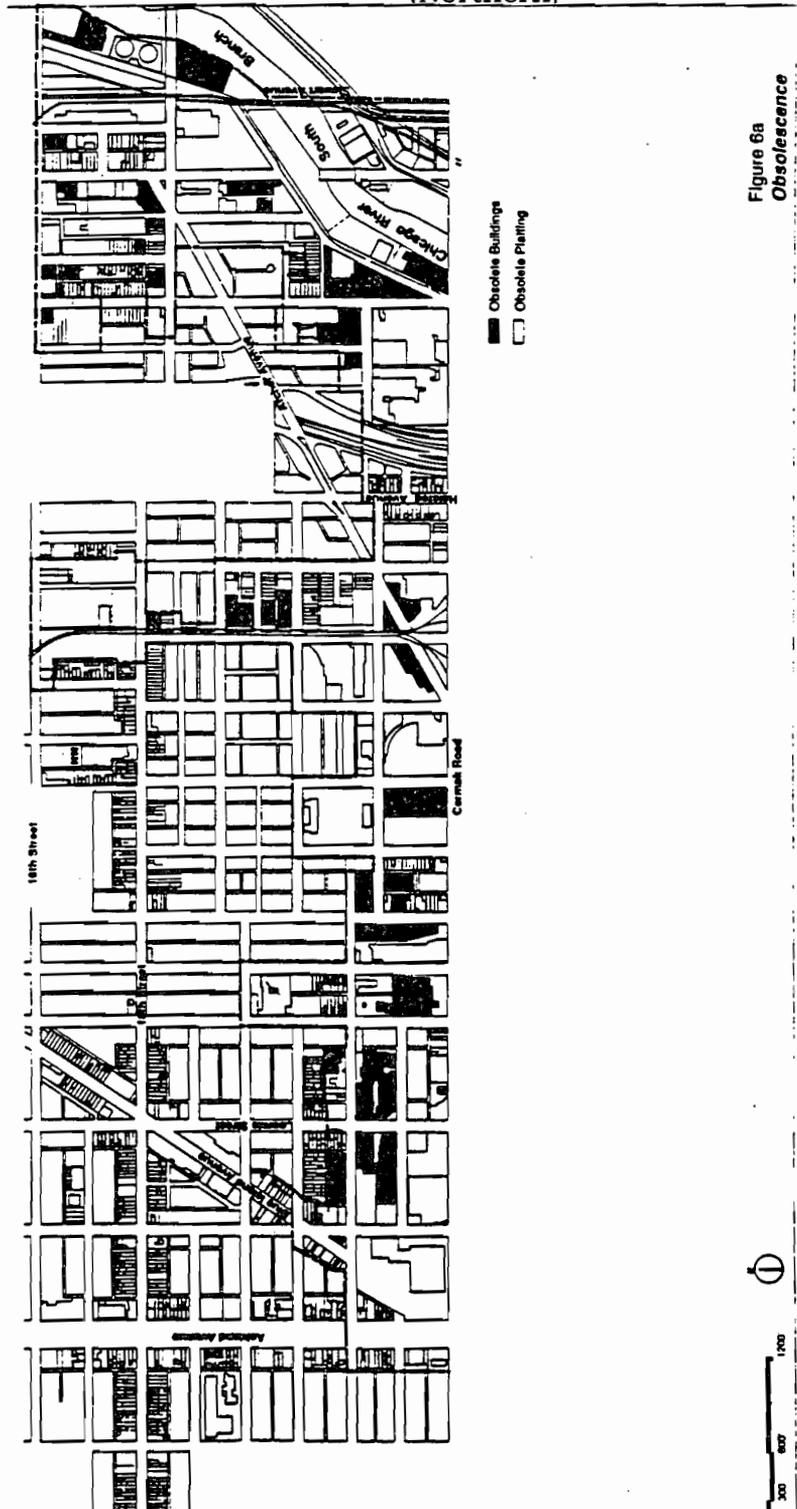


Figure 6a  
Obsolescence

Chicago, Illinois  
Prepared By: Trkla, Penigrew, Allen, & Payne, Inc.

Pilsen (Northern)  
Increment Financing Redevelopment Project Area

Figure 6b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Obsolescence.  
(Southern)

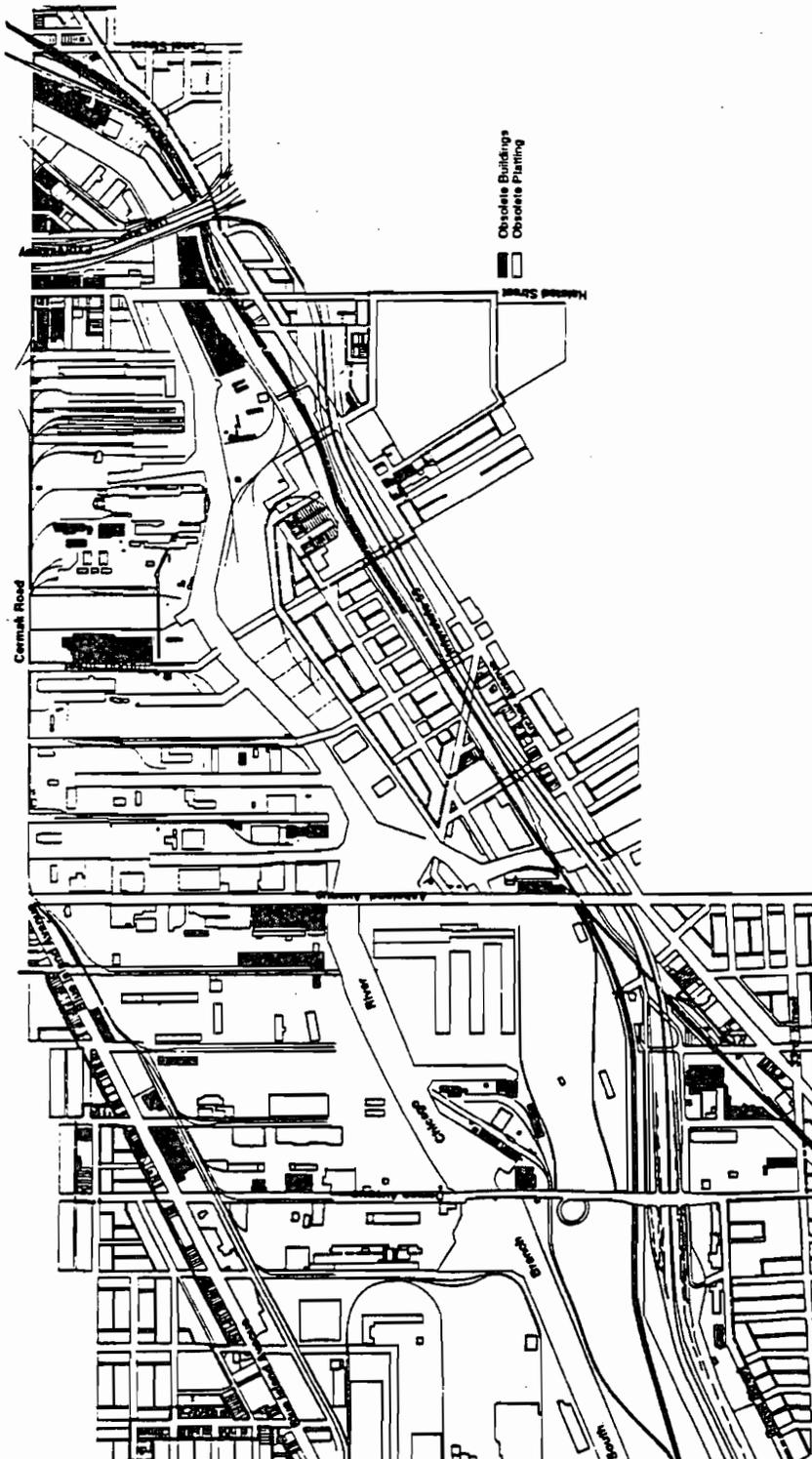


Figure 6b  
Obsolescence

Chicago, Illinois

Prepared By: Itie, Pettigaw, Allen, & Payne, Inc

Pilsen (Southern)

Increment Financing Redevelopment Project Area

Figure 7a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Deterioration.  
(Northern)

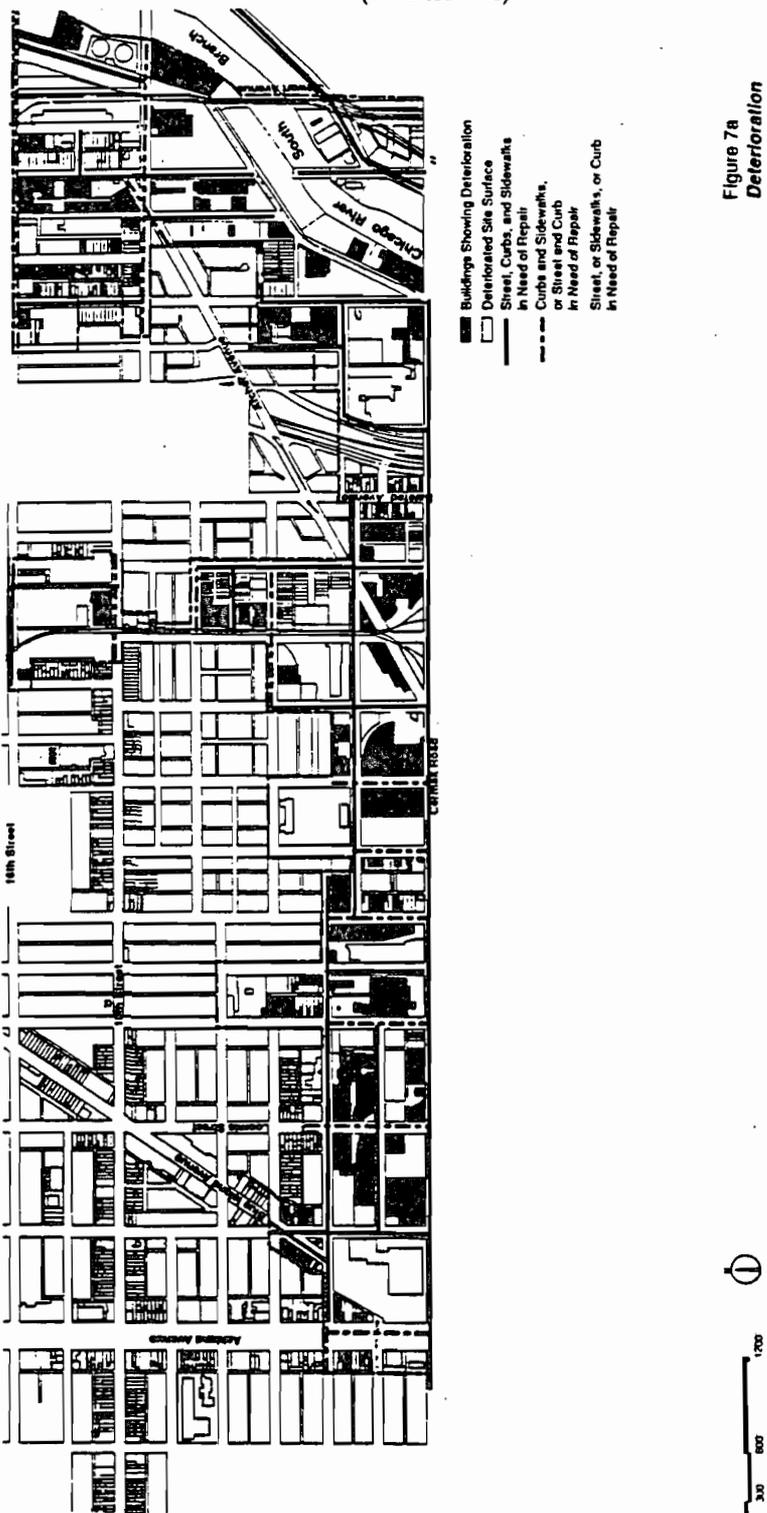


Figure 7a  
Deterioration

Chicago, Illinois

Pilsen (Northern)  
Tax Increment Financing Redevelopment Project Area

Figure 7b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Deterioration.  
(Southern)

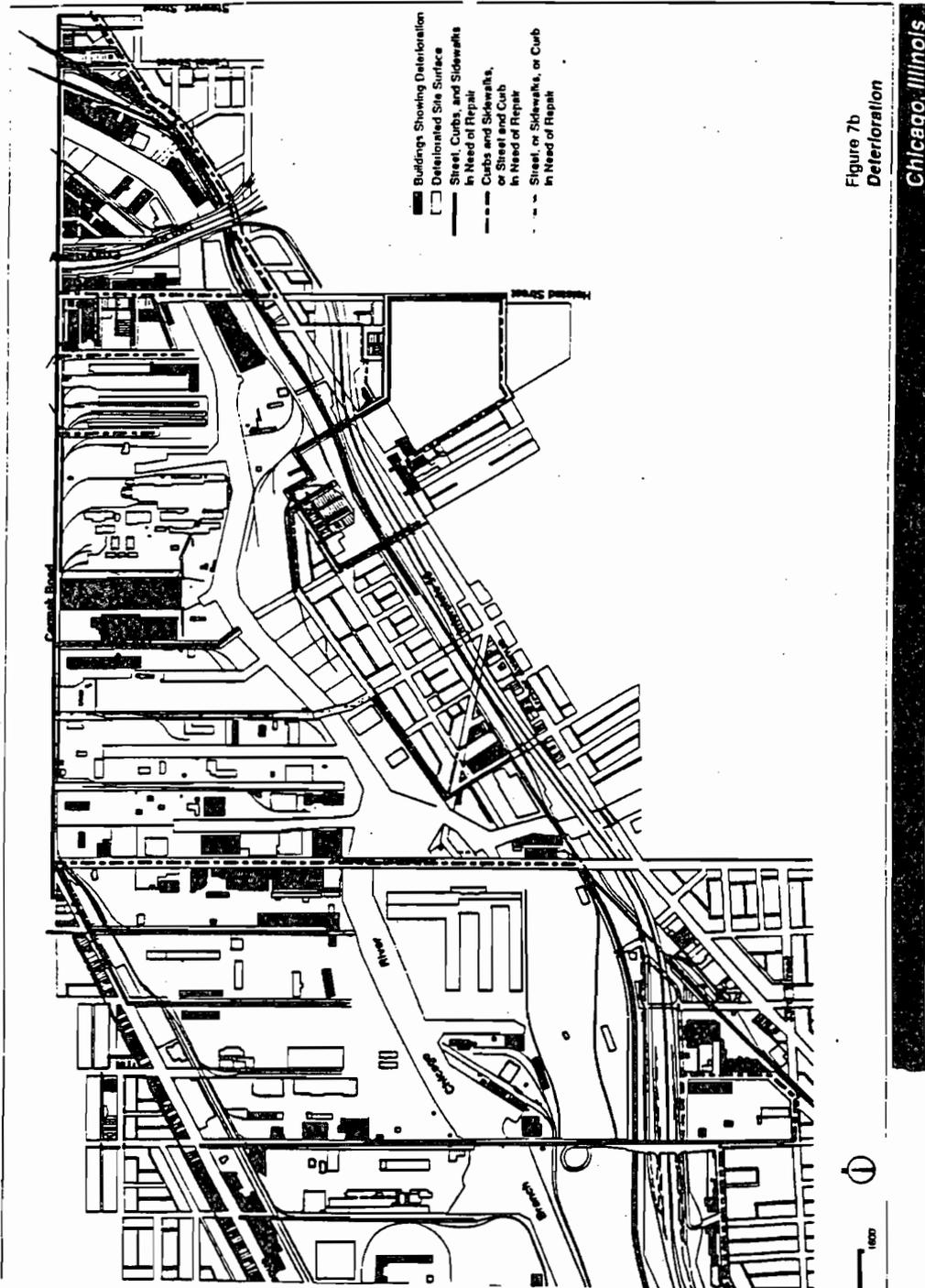


Figure 7b  
Deterioration

Chicago, Illinois

Figure 8a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Structures Below Minimum Code.  
(Northern)

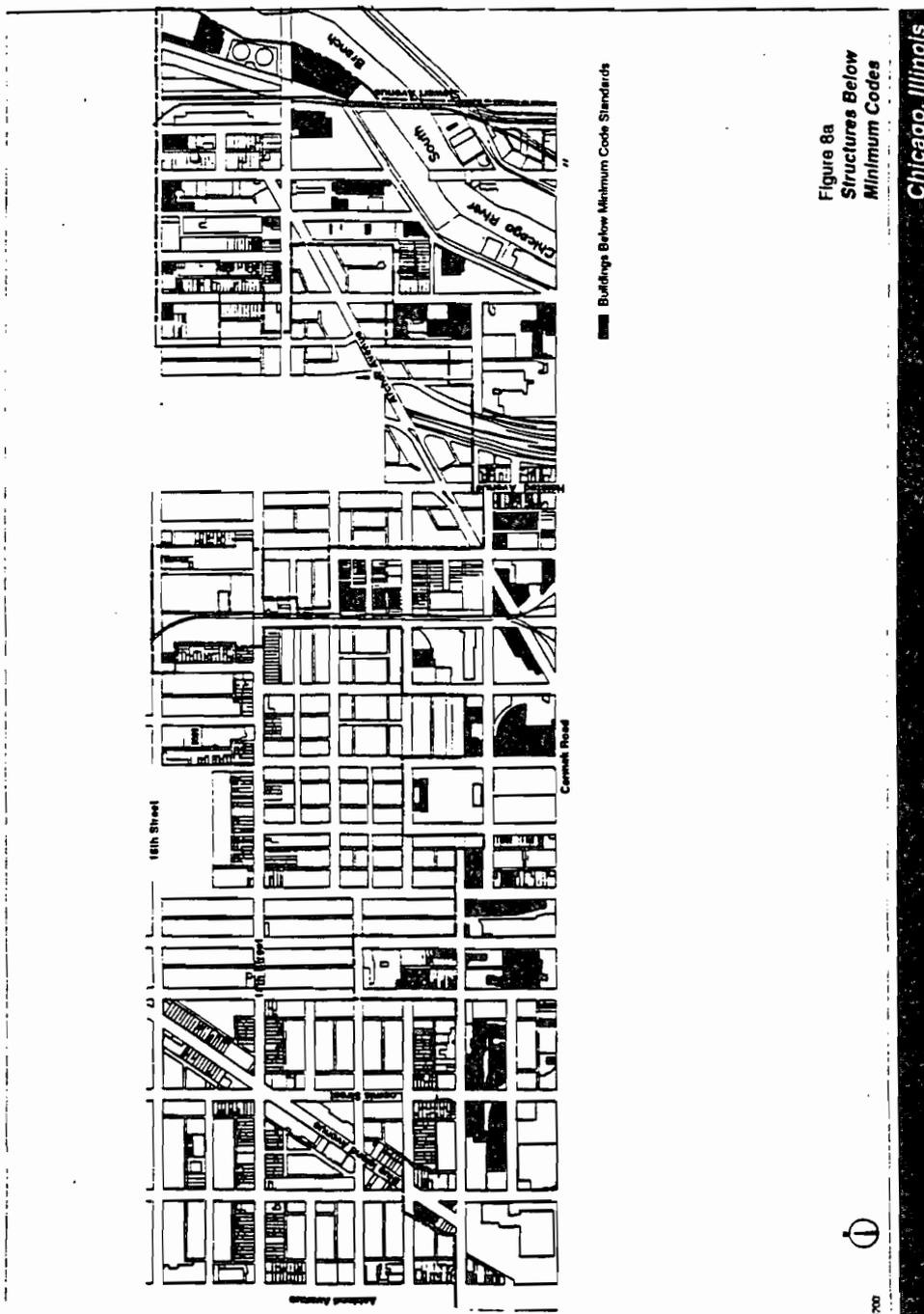


Figure 8a  
Structures Below  
Minimum Codes

Chicago, Illinois

*Figure 8b.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Buildings Below Minimum Code.*  
(Southern)

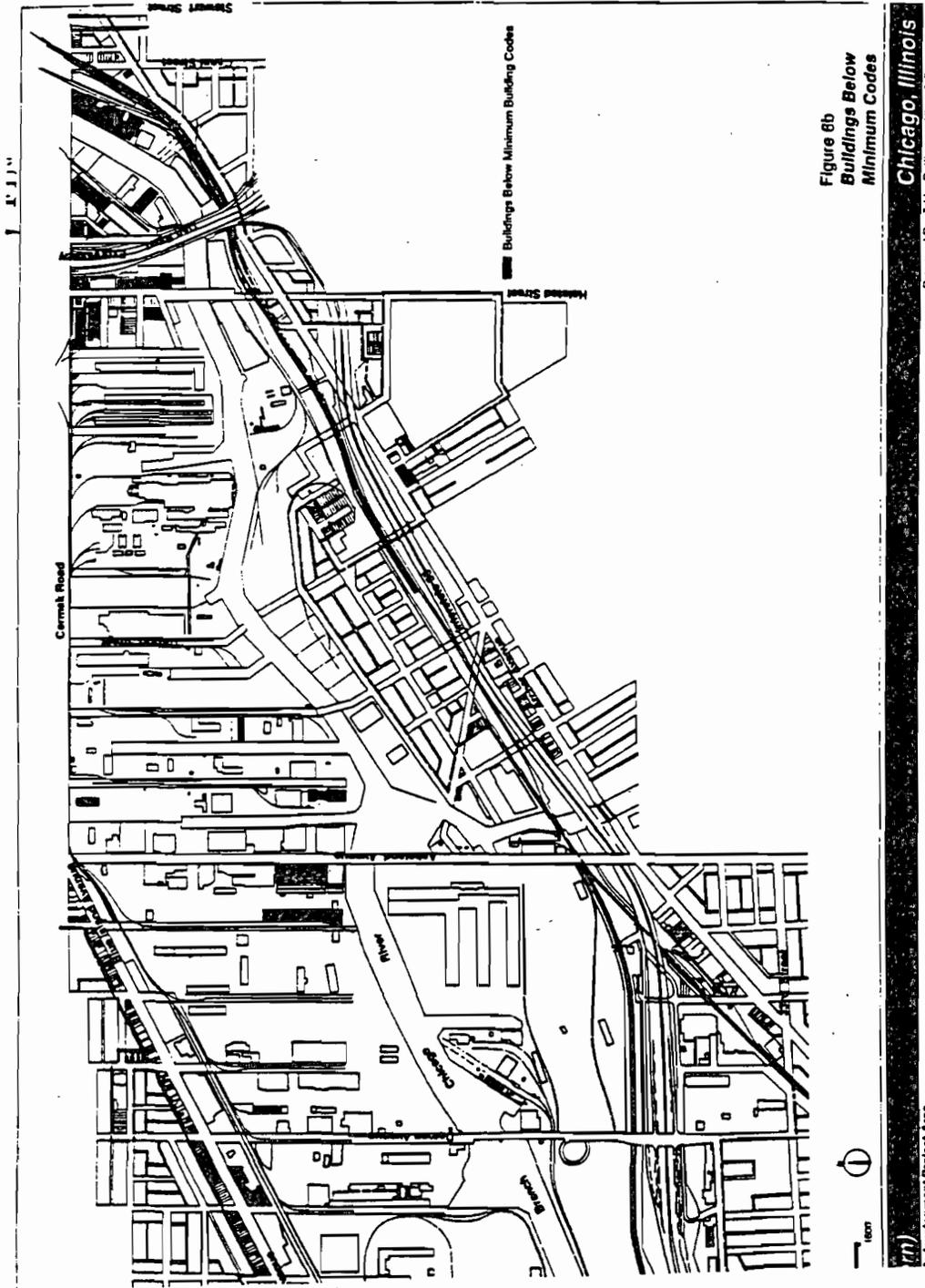


Figure 9a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Excessive Vacancies.  
(Northern)

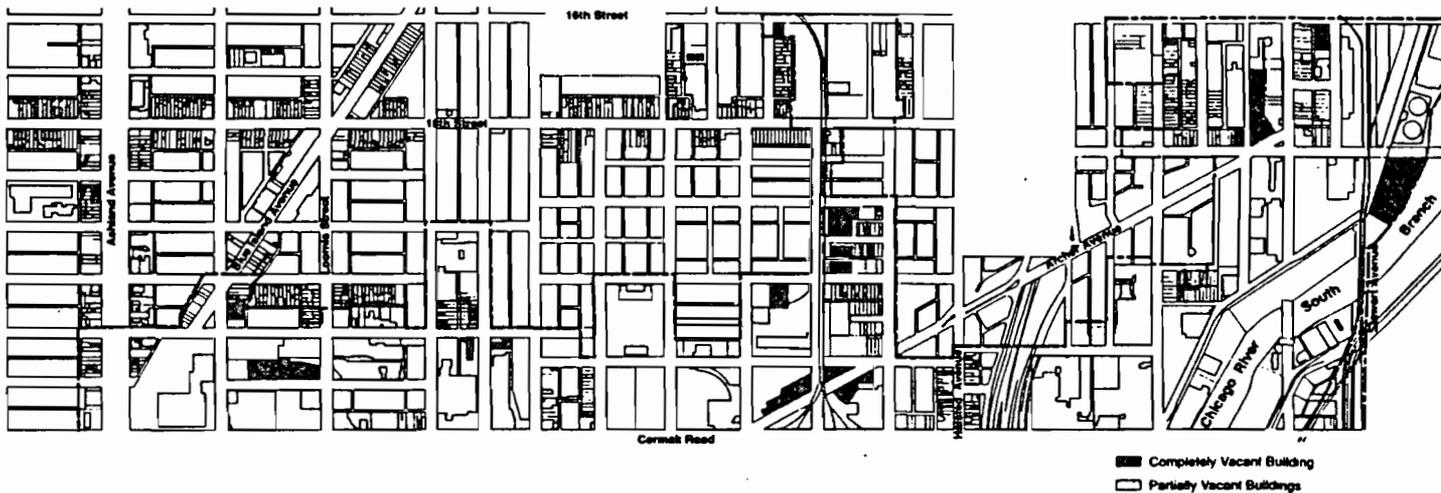


Figure 9a  
Excessive Vacancies

Figure 9b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Excessive Vacancies.  
(Southern)

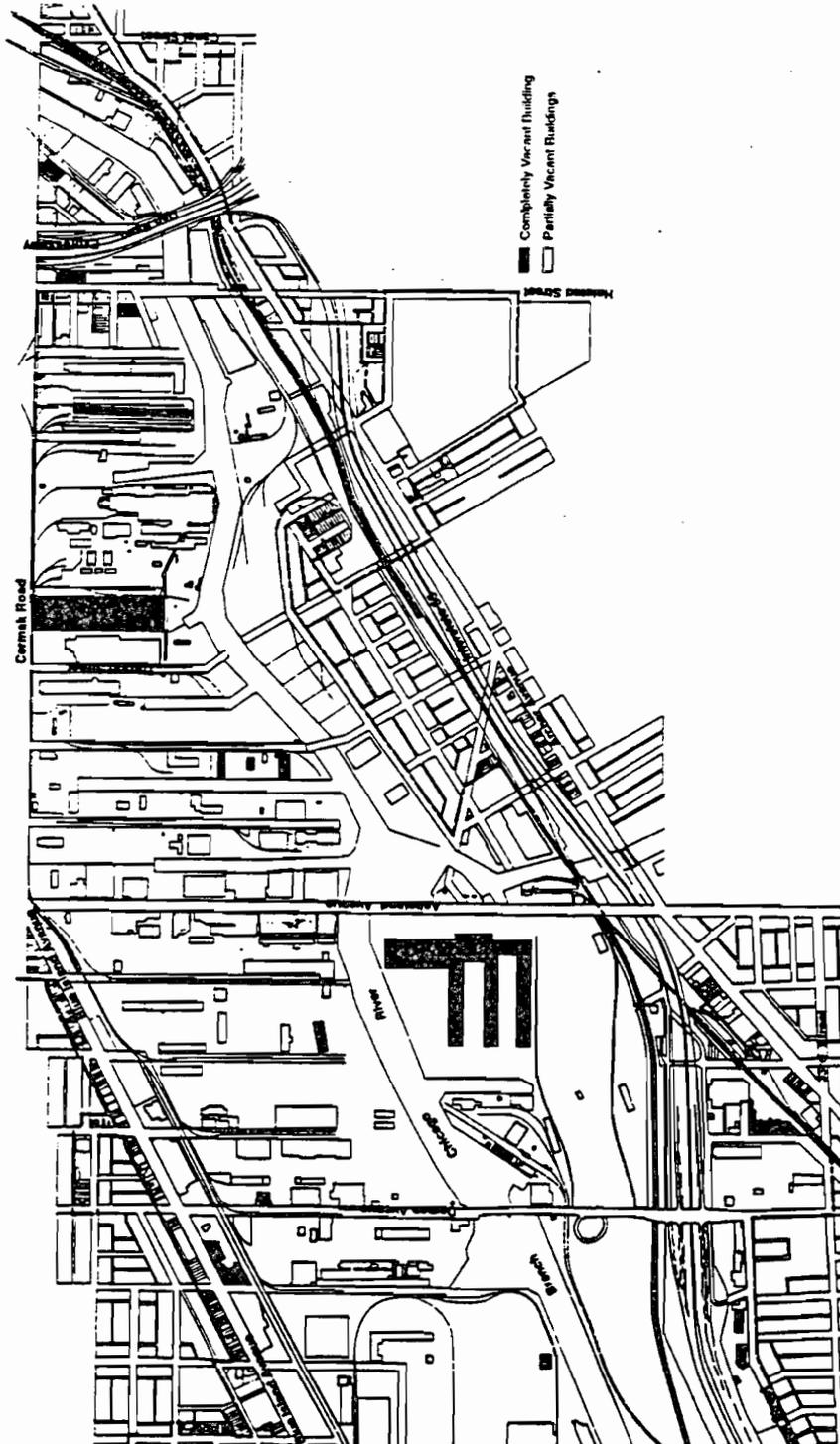


Figure 9b  
Excessive Vacancies  
Chicago, Illinois  
Prepared By: Ithia, Vergara, Alan, & Payne, Inc

(Southern)  
and Financing Redevelopment Project Area

Figure 10a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

Excessive Land Coverage.  
(Northern)

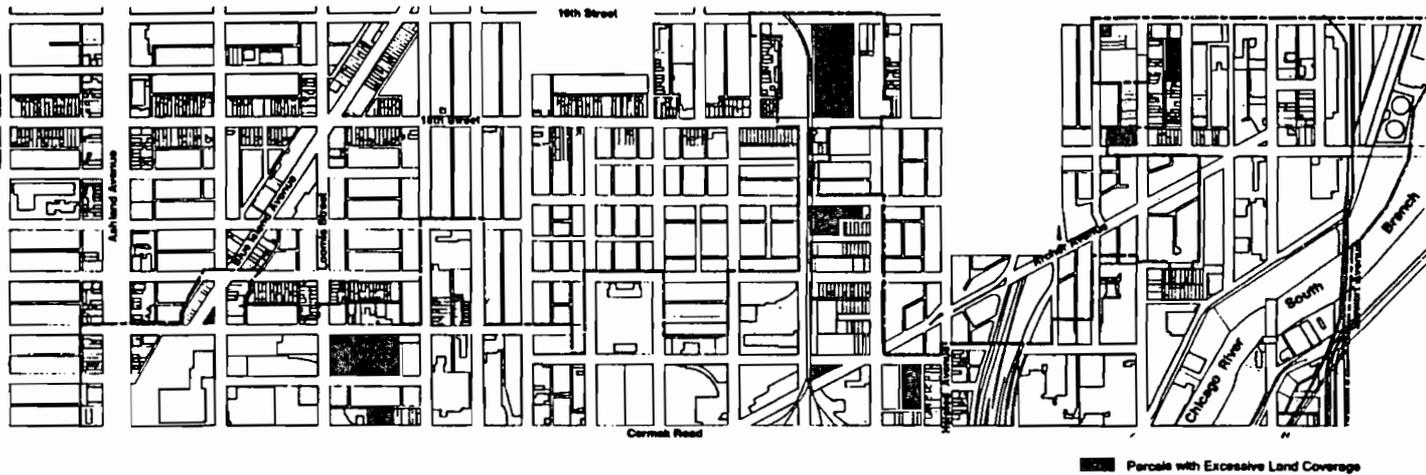
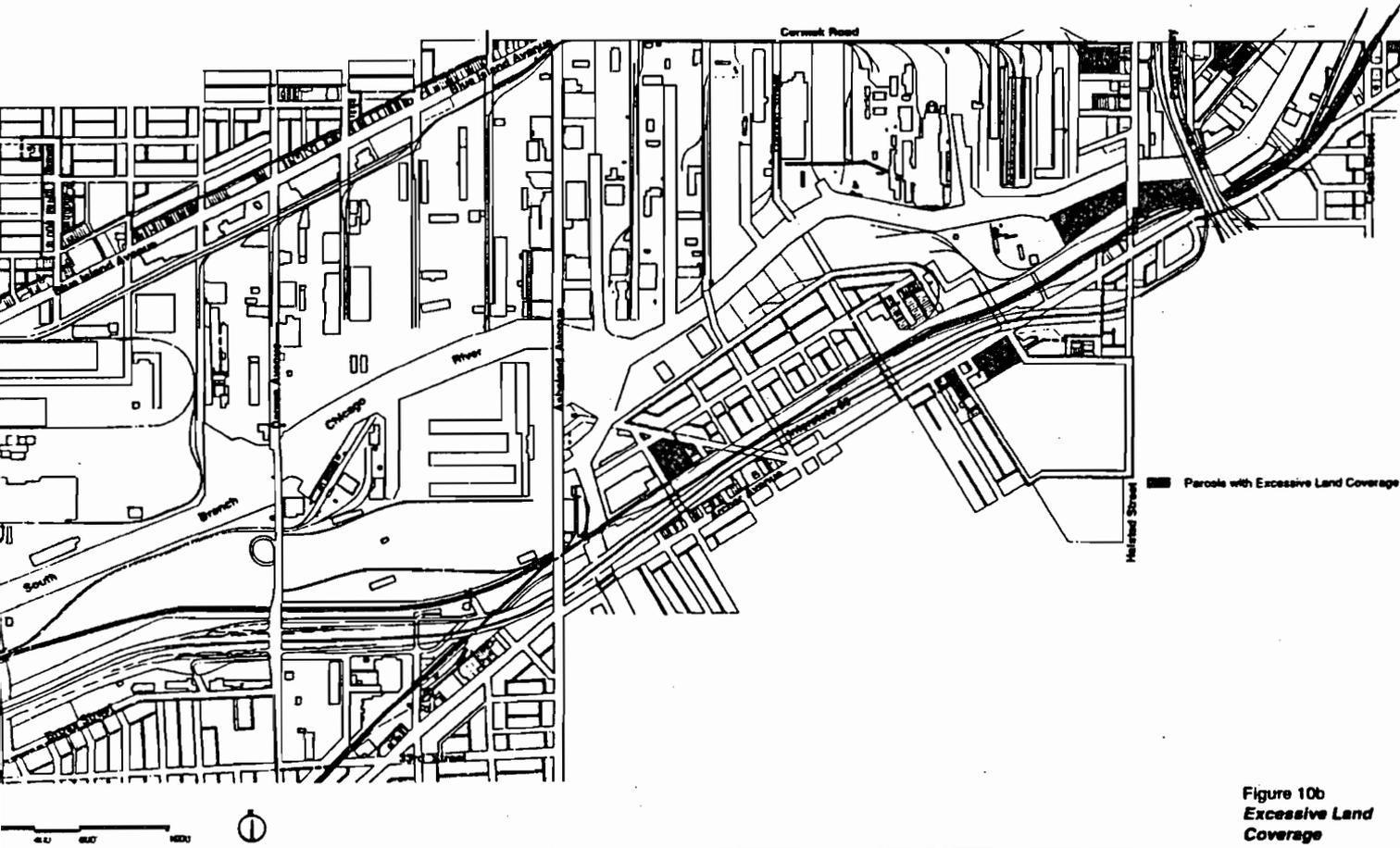


Figure 10a  
Excessive Land Coverage

*Figure 10b.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Excessive Land Coverage.*  
(Southern)



**Figure 10b**  
**Excessive Land**  
**Coverage**

Figure 11a.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Deleterious Land-Use/Layout.*  
(Northern)

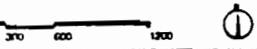
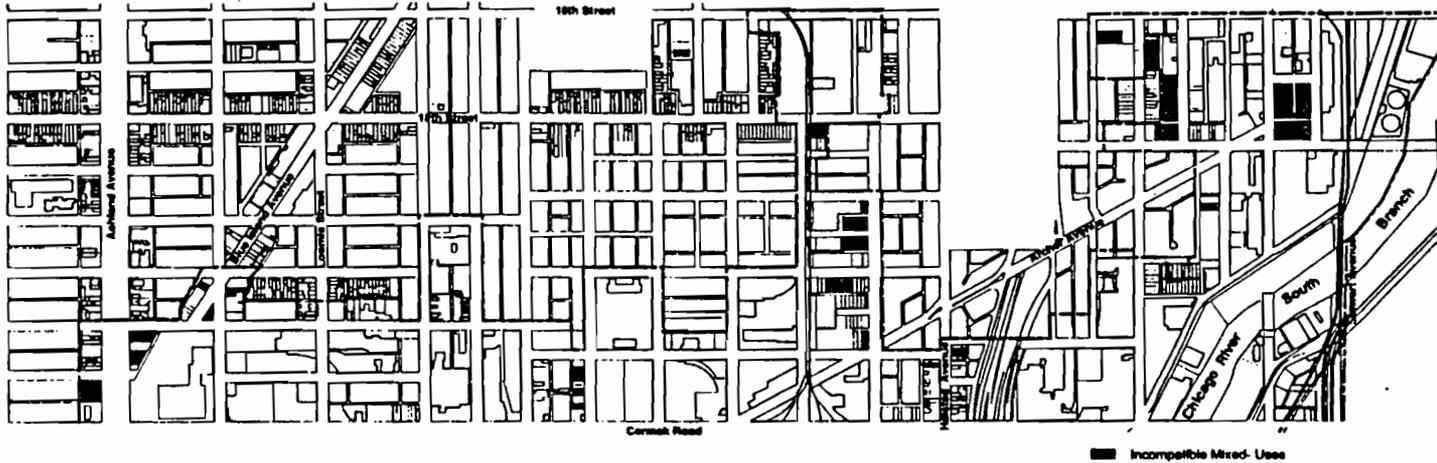


Figure 11a  
*Deleterious  
Land-Use/ Layout*

Figure 11b.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Deleterious Land-Use/Layout.*  
(Southern)

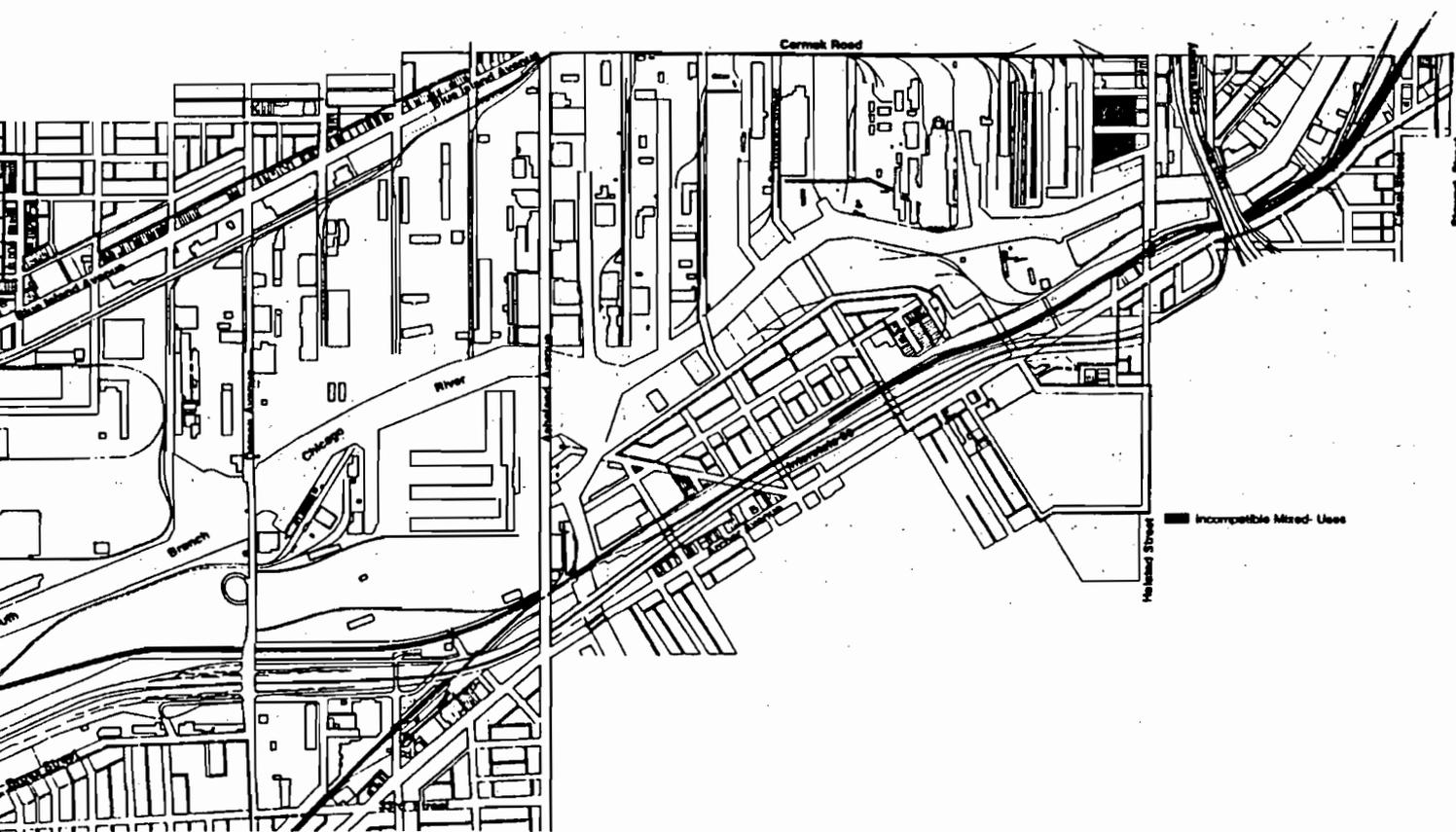
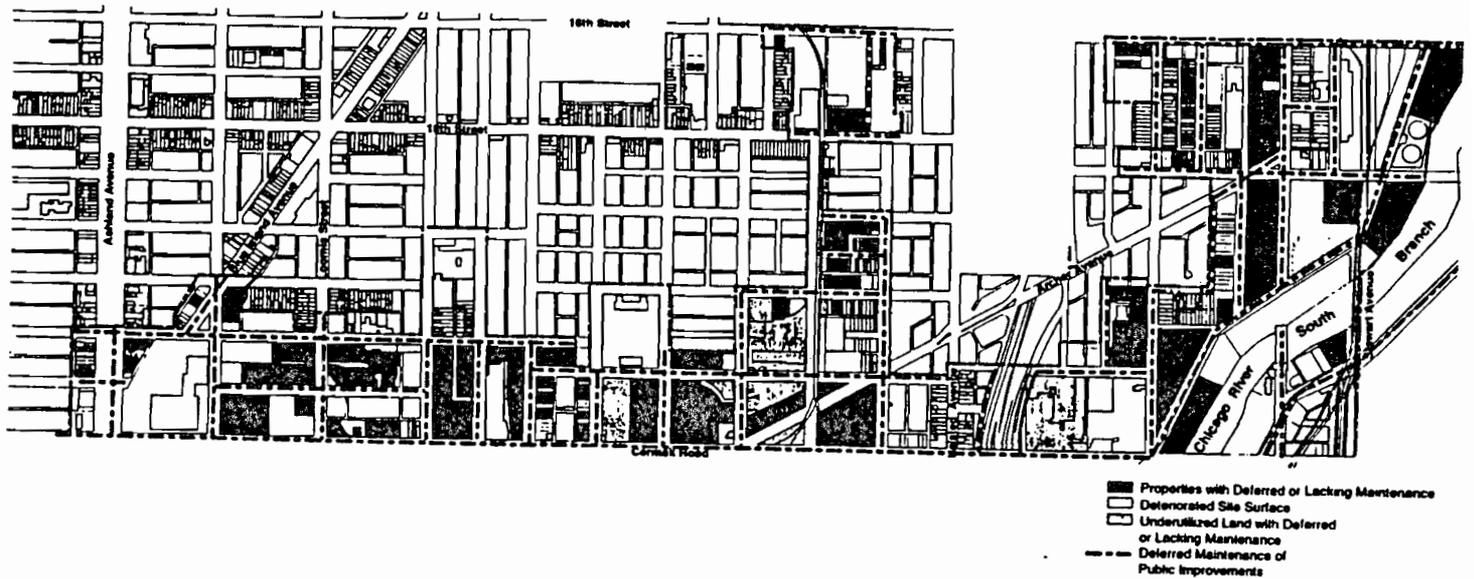


Figure 11b  
*Deleterious Land-Use / Layout*

*Figure 12a.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

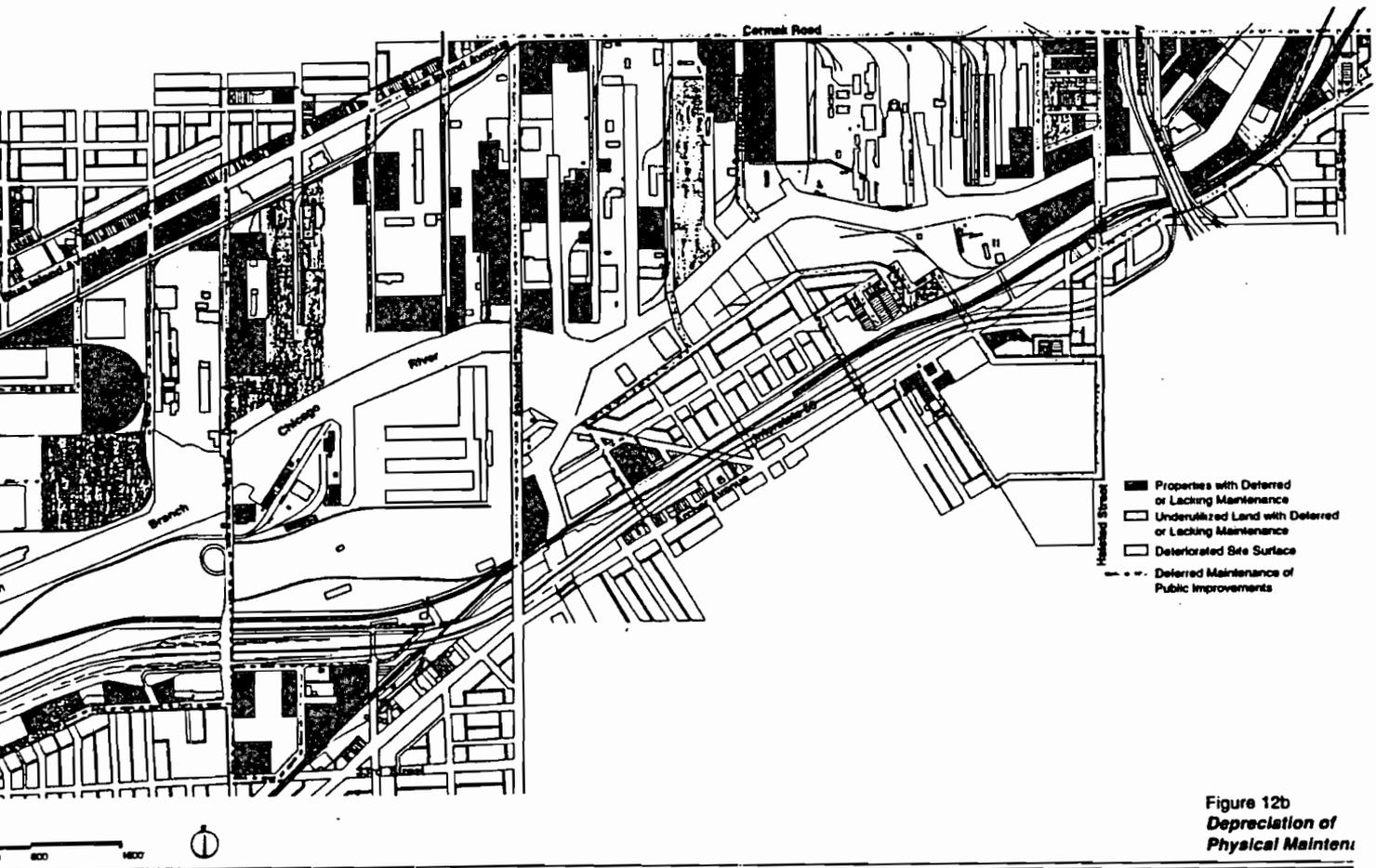
*Depreciation Of Physical Maintenance.*  
(Northern)



**Figure 12a**  
**Depreciation of**  
**Physical Maintenance**

*Figure 12b.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Depreciation Of Physical Maintenance.*  
(Southern)



**Figure 12b**  
**Depreciation of**  
**Physical Maintenance**

*Table 1.*  
(To Pilsen Eligibility Study)

*Acreage Distribution.*  
(Page 1 of 4)

*Table 1.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Acreage Distribution.*

<u>Area</u>	<u>Total Acres</u>	<u>Percent of Total</u>
• Commercial District	47	5.2%
• Industrial District	860	94.8%
<b>Total</b>	<b>907</b>	<b>100.0%</b>

*Table 2.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Summary Of Building Deterioration.*

### INDUSTRIAL DISTRICT

	Survey Block Number	Number of Buildings	Building Condition		
			Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
1.	17-21-305	13	2	8	3
2.	17-21-306	24	1	7	16
3.	17-21-330	1	0	1	0
4.	17-21-307	8	0	8	0
5.	17-21-309	1	0	0	1

Table 2.  
 (To Eligibility Study For Pilsen Tax Increment  
 Financing Redevelopment Project And Plan)

Summary Of Building Deterioration.  
 (Page 2 of 4)

Survey Block Number	Number of Buildings	Building Condition		
		Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
6.	17-21-310	0	0	0
7.	17-21-311	1	0	0
8.	17-21-327	3	1	0
9.	17-21-326	5	0	2
10.	17-21-325	7	0	2
11.	17-21-331	1	0	0
12.	17-21-332	4	1	0
13.	17-21-323	1	0	1
14.	17-21-322	1	0	0
15.	17-28-104/105/(21-336)	3	0	0
16.	17-28-103/(17-21-333/334/335)	5	0	1
17.	17-28-101	1	0	0
18.	17-28-102	8	0	1
19.	17-28-100	6	0	0
20.	17-29-203	1	0	1
21.	17-29-202	0	0	0
22.	17-29-201	6	0	3
23.	17-21-328	4	2	1
24.	17-21-329	5	0	0
25.	17-20-331	2	0	0
26.	17-20-330	2	0	0
27.	17-20-322	1	0	0
28.	17-20-404	3	1	0
29.	17-20-405	1	0	0
30.	17-20-415	0	0	0
31.	17-20-414	1	0	0
32.	17-20-425	10	0	4
33.	17-20-426	6	0	3
34.	17-20-433	1	0	0
35.	17-20-432	2	0	1
36.	17-20-444	3	0	0
37.	17-20-445	11	0	4
38.	17-20-434/435	9	1	4

*Table 2.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Summary Of Building Deterioration.*  
(Page 3 of 4)

Survey Block Number	Number of Buildings	Sound	Deteriorated/ Deteriorating	Substandard Dilapidated	
40.	17-20-441	1	0	0	1
41.	17-20-442	0	0	0	0
42.	17-20-440	1	0	1	0
43.	17-20-439	1	0	1	0
44.	17-20-438	15	0	10	3
45.	17-20-429	1	0	1	0
46.	17-20-335	2	0	1	1
47.	17-20-334	3	0	3	0
48.	17-20-333	5	0	5	0
49.	17-20-332	1	0	0	1
50.	17-20-324	1	0	1	0
51.	17-29-200	6	5	1	0
52.	17-29-103	2	0	2	0
53.	17-29-102	3	0	3	0
54.	17-29-101	12	9	2	1
55.	17-29-100	14	2	11	1
56.	17-30-210	18	8	8	2
57.	17-30-209	2	1	1	0
58.	17-30-208	7	1	6	0
59.	17-30-302	7	4	2	1
60.	17-30-300	14	9	5	0
61.	17-31-101/102	7	1	5	1
62.	17-31- 200/201/207/208	2	0	2	0
63.	17-31-203	3	1	2	0
64.	17-29-300	4	0	1	3
65.	17-29-308	2	0	2	0
66.	17-29-303	3	1	2	0
67.	17-29-301	2	2	0	0
68.	17-29-302	1	1	0	0
69.	17-29-304	0	0	0	0
70.	17-29-310	1	0	1	0
71.	17-29-416	8	1	7	0
72.	17-29-417	1	0	1	0
73.	17-29-403	0	0	0	0

*Table 2.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Summary Of Building Deterioration.*  
(Page 4 of 4)

Survey Block Number	Number of Buildings	Sound	Deteriorated/ Deteriorating	Substandard Dilapidated
74. 17-29-404	8	1	5	2
75. 17-29-400	2	1	1	0
76. 17-29-402	1	0	0	1
77. 17-29-405/406/407	2	1	1	0
78. 17-28-111	1	0	1	0
79. 17-20-430	2	0	2	0
80. 17-20-325	15	1	11	3
<b>Industrial Area Total</b>	<b>343</b>	<b>61</b>	<b>212</b>	<b>70</b>

**COMMERCIAL DISTRICT**

1. 17-19-429	2	1	1	0
2. 17-19-425	6	2	3	1
3. 17-20-318	14	0	12	2
4. 17-20-319	1	0	0	1
5. 17-20-329	1	1	0	0
6. 17-20-327	9	1	8	0
7. 17-20-322	6	1	5	0
8. 17-30-120	2	1	0	1
9. 17-30-121	5	0	5	0
10. 17-30-112	10	5	5	0
11. 17-30-115	10	5	5	0
12. 17-30-119	8	4	4	0
13. 17-30-122	3	0	3	0
14. 17-30-116	15	9	6	0
15. 17-30-125	19	1	17	1
16. 17-30-206	10	3	7	0
17. 17-30-124	6	0	5	1
18. 17-30-203	9	3	6	0
19. 17-30-204	3	2	1	0
20. 17-30-202	15	2	7	6
21. 17-30-207	20	2	18	1
<b>Commercial Area Total</b>	<b>167</b>	<b>44</b>	<b>110</b>	<b>13</b>

**Project Area Total**                      **510**                      **105**                      **322**                      **83**

**Percent**                                      **100%**                      **21%**                      **63%**                      **16%**

*Table 3.*  
 (To Eligibility Study For Pilsen Tax Increment  
 Financing Redevelopment Project And Plan)

*Distribution Of Blighting Factors In Industrial District.*  
 (Page 1 of 3)

● Factor present to a MAJOR extent  
 ○ Factor present to a MINOR extent

Block No.	Age 1	Dilapidation 2	Obsolescence 3	Deterioration 4	Illegal use of individual structures 5	Structures below code 6	Excessive vacancies 7	Overcrowding of structures 8	Lack of light, ventilation or sanitary facilities 9	Inadequate utilities 10	Excessive land coverage 11	Deliterious land use 12	Depreciation of physical maintenance 13	Lack of community planning 14	Number of Factors Present	
															Major	Minor
1. 17-21-305	●	○	○	●		●					○	●	●	●	6	3
2. 17-21-306	●	●	○	●		●	○				○	●	●	●	7	3
3. 17-21-330	●			●		●	●					●	●	●	6	0
4. 17-21-307	●		●	●		●	○					●	●	●	6	1
5. 17-21-309	●	●	●	●		●	●					●	●	●	8	0
6. 17-21-310												●	●	●	3	0
7. 17-21-311	●		●	●		●					●	●	●	●	7	0
8. 17-21-327	●		○	●		●	○					●	●	●	5	2
9. 17-21-326	●	○	○	●		○						●	●	●	4	3
10. 17-21-325	●	○	○	●		●	○					○	●	●	5	4
11. 17-21-331	●		●	●		●						●	●	●	6	0
12. 17-21-332	○		○	●								●	●	●	3	2
13. 17-21-323	●	●	●	●		●						●	●	●	7	0
14. 17-21-322	●		●	●								●	●	●	5	0
15. 17-28-104/ 105/(21-336)	●		○	●		○						●	●	●	4	2
16. 17-28-103/(17- 21-335/334/333)	●	○	○	●		○	○					●	●	●	4	4
17. 17-28-101	●		●	●		●						●	●	●	6	0
18. 17-28-102	●	○	○	●		●	○				●	●	●	●	6	3
19. 17-28-100	●		●	●		●						●	●	●	6	0
20. 17-29-203	●	●		●		●	●					●	●	●	8	0
21. 17-29-202				●								●	●	●	4	0
22. 17-29-201	●	●	●	●		●	●				○	●	●	●	8	1
23. 17-21-328	●	○	●	●		○	●					●	●	●	7	2
24. 17-21-329	●			●		○						●	●	●	4	1
25. 17-20-331	●			●								●	●	●	4	0
26. 17-20-330	●		●	●		●	●					●	●	●	7	0
27. 17-20-322	●		●	●							●	●	●	●	6	0
28. 17-20-404	●			●		○					●	●	●	●	5	1
29. 17-20-405	●			●		●						●	●	●	5	0
30. 17-20-415			●									●	●	●	3	0
31. 17-20-414	●		●									●	●	●	5	0

Table 3.  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Distribution Of Blighting Factors In Industrial District.*  
(Page 2 of 3)

- Factor present to a MAJOR extent.  
○ Factor present to a MINOR extent

Block No.	Age	Dilapidation	Obsolescence	Deterioration	Illegal use of individual structures	Structures below code	Excessive vacancies	Overcrowding of structures	Lack of light, ventilation or sanitary facilities	Inadequate utilities	Excessive land coverage	Deliterious land use	Depreciation of physical maintenance	Lack of community planning	Number of Factors Present	
															Major	Minor
32.	17-20-425	●	○	○	●	●	○				○	●	●	●	6	4
33.	17-20-426	●	●	○	●	●	●					●	●	●	8	1
34.	17-20-433	●			●	●	●						●	●	6	0
35.	17-20-432	●	●		●	●	●						●	●	7	0
36.	17-20-444	●		○	●	●	○						●	●	5	2
37.	17-20-445	●	○		●	●	○				○	○	●	●	5	4
38.	17-20-434/435	●	○		●	●	○					●	●	●	6	2
39.	17-20-443	●	●	●	●	●	●				●		●	●	9	0
40.	17-20-441	●	●	●	●	●	●						●	●	8	0
41.	17-20-442				●								●	●	3	0
42.	17-20-440	●			●	●							●	●	5	0
43.	17-20-439	●		●	●	●							●	●	5	0
44.	17-20-438	●	○	○	●	●	○					●	●	●	6	3
45.	17-20-429	●			●	●							●	●	6	0
46.	17-20-335	●	●	●	●	●	●						●	●	8	0
47.	17-20-334	●			●	●	○						●	●	6	1
48.	17-20-333	●		○	●	●	○						●	●	5	3
49.	17-20-332	●	●	●	●	●					○		●	●	7	0
50.	17-20-324	●			●	●							●	●	5	0
51.	17-29-200	●		●	○		○						○	●	3	3
52.	17-29-103	●		●	●	●	●						●	●	7	0
53.	17-29-102	○		○	○	●	●						●	●	4	3
54.	17-29-101	○	○	○	○	○	○						○	●	1	7
55.	17-29-100	●	○	○	●	○	○					○	●	●	4	4
56.	17-30-210	●	○	○	●	○	○						●	●	4	4
57.	17-30-209	●		●	●								●	●	5	0
58.	17-30-208	●		●	●	○	○						●	●	5	2
59.	17-30-302	●	○		○	○	○						○	●	2	5
60.	17-30-300	○			○		○						○	●	1	4
61.	17-31-101/102	●	○	○	●	○	○						●	●	4	4
62.	17-31-200/201/ 207/208	●		●	●								●	●	5	0
63.	17-31-203	●		●	●		○						●	●	5	1
64.	17-29-300	○	●	●	○	●	●						●	●	6	2

*Table 3.*  
(To Eligibility Study For Pilsen Tax Increment  
Financing Redevelopment Project And Plan)

*Distribution Of Blighting Factors In Industrial District.*  
(Page 3 of 3)

- Factor present to a MAJOR extent  
○ Factor present to a MINOR extent

Block No.	Age	Dilapidation	Obsolescence	Deterioration	Illegal use of individual structures	Structures below code	Excessive vacancies	Overcrowding of structures	Lack of light, ventilation or sanitary facilities	Inadequate utilities	Excessive land coverage	Deleterious land use	Depreciation of physical maintenance	Lack of community planning	Number of Factors Present		
															Major	Minor	
65.	17-29-308	●	●	●									●	●	5	0	
66.	17-29-303	●	○	●		○							●	●	4	2	
67.	17-29-301												●	●	2	0	
68.	17-29-302													●	1	0	
69.	17-29-304											●	●	●	3	0	
70.	17-29-310	●		●							●		●	●	5	0	
71.	17-29-416	●	○	●		○	○				○		●	●	4	4	
72.	17-29-417	●		●									●	●	5	0	
73.	17-29-403												●	●	2	0	
74.	17-29-404	●	○	●	●	●							●	●	6	1	
75.	17-29-400			●	●								●	●	4	0	
76.	17-29-402	●	●	●	●	●							●	●	6	0	
77.	17-29-405/ 406/407	●		●	●						●		●	●	6	0	
78.	17-28-111	●		●	●						●		●	●	6	0	
79.	17-20-430	●		●		●							●	●	5	0	
80.	17-20-325	●	○	○	●	●	○						●	●	5	3	
<b>Totals:</b>		66/5	13/17	35/22	67/6	0/0	40/14	15/23	0/0	0/0	0/0	8/7	12/3	75/4	80/0	411	101



**EXHIBIT E**

**CONSTRUCTION CONTRACT**

## CONSTRUCTION CONTRACT

Between: CIPM, L.L.C. (hereinafter referred to as the "Owner"), whose address is:  
1808 Swift Road  
Oak Brook, Illinois 60523  
Attention: Mr. Fred Reynolds

and: FCL BUILDERS, INC. (hereinafter referred to as the "Contractor"), whose address is:  
1150 Spring Lake Drive  
Itasca, Illinois 60143  
Attention: Mr. Michael Boro

Date of Contract: May 22, 2001

Premises: real estate located at South Damen and Blue Island, Chicago, Illinois (hereinafter referred to as the "Premises")

Contract Sum: THIRTEEN MILLION THREE HUNDRED FIFTY ONE THOUSAND NINE HUNDRED FIFTY THREE AND NO/00 DOLLARS (\$13,351,953.00) (hereinafter referred to as the "Contract Sum")

Architect: CORNERSTONE ARCHITECTS LTD. (hereinafter referred to as "Architect"), whose address is:  
1152 Spring Lake Drive  
Itasca, Illinois 60143

In consideration of the mutual covenants and conditions hereinafter set forth and the foregoing definitions which are by this reference incorporated herein, the parties hereby agree as follows:

### **ARTICLE I** The Work

1.1. Performance of the Work. Contractor, pursuant to the provisions hereof, shall perform all the work (hereinafter referred to as the "Work") necessary to fully and completely construct the improvements which are generally intended to consist of the shell and core of a building and common areas related thereto to be commonly known as the Chicago International Produce Market (all such improvements are hereinafter referred to as the "Project") as described and specified in or as logically inferable from the plans and specifications (hereinafter referred to as the "Plans") identified on Exhibit "B" attached hereto and by this reference incorporated herein. The Project is to be located on the real estate described in Exhibit "A" comprising the Premises at South Damen and Blue Island, Chicago, Illinois. Contractor shall perform all the Work and furnish all the materials, equipment, labor, services, scaffolds, hoisting and transportation for same, together with any tools and machinery and all other protection necessary to perform and protect the Work. Contractor acknowledges that it has reviewed and approved the Plans.

1.2. Contractor Acknowledgments.

1.2.1. Contractor acknowledges that it has visited the Premises and is familiar with all of the existing conditions that may affect the Work and agrees that: (i) it has carefully examined and reviewed and understands the Plans; (ii) it has carefully examined and understands the nature, location and character of the Work and the Premises, including, without limitation, the existing improvements, the surface condition of the Premises

and all structures and obstructions thereon, both natural and man-made, and all surface water conditions of the Premises and the surrounding area, not including, however, any subsurface conditions of the Premises not apparent from Contractor's examination of the Premises and from tests submitted to Contractor; (iii) it has carefully examined and understands the nature, location and character of the general area in which the Premises is located, including, without limitation, its climatic conditions, available labor supply and labor costs and available equipment supply and equipment costs; (iv) it has carefully examined and understands the quality and quantity of all materials, supplies, tools, equipment, labor and professional services necessary to complete the Work within the cost required by the Contract Documents (as hereinafter defined); (v) it has the ability to complete the Work on or before the Completion Date (as hereinafter defined) at an aggregate cost not to exceed the Contract Sum; (vi) it has familiarized itself with conditions affecting the difficulty of the Work; (vii) it has entered into this contract based on its own examination, investigation and evaluation and not in reliance upon any opinions or representations of Owner or Architect or any of their respective officers, agents or employees; and (viii) it shall comply with any restrictions contained in any No Further Remediation Letters issued with respect to the Premises.

1.2.2. Contractor hereby represents and warrants to Owner that Contractor is a business entity which is experienced and skilled in the construction of projects of the type described in the Plans, is licensed to engage in the general construction business in the jurisdiction where the Premises is located and is in compliance with all applicable governmental laws and regulations precedent to performance of the Work.

1.2.3. Contractor agrees to furnish efficient business administration, coordination, supervision and superintendence of the Work and to furnish at all times a competent and adequate administrative and supervisory staff and an adequate supply of workmen and materials and to perform the Work in the best and most sound way and in the most expeditious and economical manner consistent with the interests of Owner. Contractor agrees from time to time at Owner's request to furnish estimates and technical advice as to construction methods and equipment to Owner and Architect. Contractor shall promptly advise Owner of any occurrence, event, fact, or other matter that has had, will have, or might reasonably be predicted to have a material adverse effect upon the financial condition of Contractor.

1.2.4. Contractor shall carefully study and compare the Plans, this Construction Contract and all schedules, data, documentation and instructions relating to the Work (all of the foregoing being hereinafter collectively referred to as the "Contract Documents") and shall, as soon as observed, report to Owner any error, inconsistency, duplication or omission it discovers. In the event of any conflict or inconsistency between the documents and data comprising the Contract Documents, this Construction Contract shall control.

1.2.5. Contractor agrees to cooperate with Owner and all persons or entities retained by Owner to provide consultation and advice, and to coordinate the Work with the work of such parties and third party contractors, if any, performing interior improvements in the Project so that the Work and such interior improvements shall be completed in the most efficient and expeditious manner.

1.2.6. Contractor shall be responsible and have liability for all of the architect's customary responsibilities for design. Contractor shall perform no portion of the Work without strict adherence to the Contract Documents or, where required, final shop drawings, product data or samples for such portion of the Work.

1.2.7. Contractor warrants that its financial condition is sound and that Contractor shall be capable of obtaining a labor and material payment and performance bond. Contractor shall be deemed to be in default of its obligations hereunder should a material adverse change in its financial condition cause any revocation of any such bond or result in the failure of Contractor to obtain any such bond.

1.2.8. Contractor acknowledges its familiarity with the present operation of the Premises and agrees that Owner's operation and use of the Premises shall not be unreasonably disrupted by virtue of the Work and

Contractor shall take such measures to assure the continuous operation of the Premises and the ongoing operation thereof by Owner.

1.2.9. Contractor shall be responsible to Owner for the acts and omissions of all its employees, all subcontractors and their agents and employees, and all other persons performing any of the Work under any contract or agreement with Contractor or any subcontractor.

1.2.10. All Work shall be performed under the direction of a competent supervisor on location employed by Contractor.

1.3. Commencement and Completion.

1.3.1. Time is of the essence of Contractor's performance and it shall commence the Work within three (3) days of issuance of such building permits required to commence the Work (such date is hereinafter referred to as the "Commencement Date"). Contractor shall commence installation of precast wall panels or structural steel ("Vertical Construction") on or before January 24, 2002. Contractor shall cause Substantial Completion (as hereinafter defined) of the Work on or before January 24, 2003 ("Completion Date"). The term "Substantial Completion" shall mean that construction of the work is sufficiently complete as evidenced by delivery to Owner of either (i) a temporary or permanent certificate of completion from the City of Chicago ("City"); or (ii) a Certificate from Architect, certifying that the work has been reviewed and found, to Architect's best knowledge, information, and belief in accordance with professional standards, to be substantially complete, subject only to punch list items. Contractor shall notify Owner thirty-five (35) days before the approximate date of Substantial Completion.

Except as specifically provided to the contrary in Paragraph 1.3.2 below, the Completion Date shall not be extended nor shall the Contract Sum be increased, and Contractor assumes all risks, hazards and conditions encountered in the performance of the Work, including, but not limited to, climatic conditions, delays in delivery of material and equipment, strikes, labor disputes (whether directed against Contractor and/or subcontractors) and embargoes, and no increase in the Contract Sum or extension of the Completion Date will be allowed on account thereof.

1.3.2. Provided that Contractor gives Owner written notice within five (5) days after the commencement and elects, by giving Owner an additional written notice within five (5) days after the conclusion of such delay, the Completion Date shall be extended as a result of economic scarcity of labor or materials, strikes, lock-outs, inclement weather, casualty, acts of God, theft, vandalism, regulations or governmental policies or acts (including delays in obtaining building permits and NFR Letters), or any other interruption or delay beyond the reasonable control of and without fault on the part of Contractor (collectively "Force Majeure Delays") provided, however, notwithstanding any of the foregoing, Contractor shall cause Substantial Completion to occur no later than January 24, 2005. No extension of the Completion Date shall be granted if, in the opinion of Owner, the delay is not of a nature so as to entail the necessity of additional time to complete the Work. Each notice required to be given within five (5) days of the commencement of any delay shall contain the probable duration and a reasonable explanation and justification of the delay occasioned thereby. Any extension of the Completion Date shall be for a period of time equal to the additional time required to complete the Work caused by such delay; provided, however, in the event that such causes occur concurrently, the actual time of the delay shall be the time elapsed while such causes exist.

1.4. Materials. All materials and equipment supplied as part of the Work shall be new, and all workmanship shall be of the best quality in strict accordance with this Construction Contract. Contractor shall make no substitution of materials unless approved in writing by Owner. All work performed by Contractor shall be under the direction of a competent supervisor on the Premises employed by Contractor. Contractor shall, if required, furnish satisfactory evidence as to kind and quality of all materials and equipment. All labor shall be performed by workmen skilled in their respective trades, and workmanship shall be of good quality so that first class work in

accordance with the standards of construction set forth in the Contract Documents will result. Any work, materials or equipment which does not conform to these requirements or the standards set forth in the Contract Documents may be disapproved by Owner, in which case they shall be removed and replaced by Contractor.

1.5. Cleanup.

1.5.1. Contractor shall clean up the Premises in a thorough and workmanlike manner to the reasonable satisfaction of Owner wherever necessary during the progress of work and upon completion and when reasonably requested by Owner.

1.5.2. The cleaning upon Completion of the Work shall be a thorough final cleaning throughout, including washing or cleaning of all surfaces on which dirt or dust has collected. The glass and curtain wall shall be washed and cleaned on both sides by a window cleaning subcontractor specializing in such work. Contractor shall, at Owner's request, delay such washing of exterior surfaces to such time as requested by Owner. All equipment shall be new, in an undamaged, bright clean condition. Recleaning will not be required after the Work has been inspected and accepted unless later operations of Contractor, in the reasonable opinion of Owner, make re-cleaning of certain portions necessary.

1.5.3. The Premises shall be maintained in a neat and orderly condition and kept free from accumulation of waste materials and rubbish during the entire construction period. All crates, cartons and other flammable waste materials or trash shall be removed from the work areas at the end of each working day. Contractor shall, and shall require all subcontractors to, clean and maintain its portion of the Work as required and as directed by Owner. If the Work and Premises are not maintained properly, Owner may have any accumulations of waste materials or trash removed and charge the cost to Contractor.

1.5.4. Electrical closets, pipe and duct shafts, chases, furred spaces and similar spaces which are generally unfinished shall be cleaned by Contractor and left free from rubbish, loose plaster, mortar drippings, extraneous construction materials, dirt and dust before preliminary inspection of the Premises.

1.5.5. All areas of the Work in which painting and finishing work are to be performed shall be thoroughly cleaned throughout just prior to the start of such work and those areas shall be maintained in satisfactory condition for painting and finishing. This cleaning shall include the removal of trash and rubbish from these areas; broom cleaning of floors; the removal of any plaster, mortar, dust and other extraneous materials from all finished surfaces, including but not limited to, all exposed structural steel, miscellaneous metal, woodwork, plaster, masonry, concrete, mechanical and electrical equipment, piping, duct work, conduit, and also all surfaces visible after all permanent fixtures, induction unit covers, convactor covers, covers for finned tube radiation, grilles, registers, and other such fixtures or devices are in place.

1.5.6. As soon as practical before Completion of the Work, Contractor shall dismantle all temporary facilities and remove from the Premises all construction and installation equipment, fences, scaffolding, surplus materials and rubbish of every kind and supplies and the like belonging to Contractor or subcontractors.

1.6. Safety. Contractor shall take all necessary precautions to keep the Premises free of safety hazards, and shall protect all materials, equipment and completed and partially completed work from loss and damage, including theft and damage by weather and, if necessary, shall provide suitable housing therefor, and shall correct any damage or disfigurement to contiguous work or property resulting from the Work. Contractor agrees that the prevention of accidents to workers engaged upon or in the vicinity of the Work is its responsibility. Contractor shall establish and implement safety measures, policies and standards conforming to those required or recommended by governmental or quasi-governmental authorities having jurisdiction. Contractor shall comply with the reasonable recommendations of insurance companies having an interest in the Work. Contractor shall issue its proposed safety

program to Owner for its approval and receive written approval from Owner prior to being provided access to the Premises.

1.7. Compliance With Laws.

1.7.1. Contractor agrees to comply with all federal and state laws, codes and regulations and all municipal laws, building codes, ordinances and regulations in force at the commencement of the Work, applicable to the Work to be performed under this Construction Contract, and to obtain at its own expense all licenses and permits necessary for the performance of the Work. Contractor shall also comply with the current applicable requirements of the American Insurance Association and other codes described in the Plans, or which are applicable to the performance of the Work. Contractor shall promptly, at its sole cost and expense, correct any violations of such laws, codes, regulations, ordinances and orders committed by Contractor, its subcontractors agents, servants and employees. Contractor shall pay all taxes, assessments and premiums under the Federal Social Security Act, any applicable Unemployment Insurance, Workmen's Compensation Act, Sales Tax, Use Tax, Personal Property Taxes or other applicable taxes or assessments now or hereafter in effect and payable by reason of or in connection with any part of the Work.

1.7.2. Each contractor and subcontractor shall comply with the redevelopment plan approved by the City and all federal, state and local codes, statutes, laws, ordinances, rules and regulations and to obtain at its own expense all licenses and permits necessary for the performance of the work.

1.7.3. Each contractor and subcontractor shall comply with all enterprise zone sales tax abatement programs and take all steps requested by Owner to maximize such opportunities.

1.7.4. Contractor shall obtain the building permit or permits necessary for the proper execution and completion of the Work to be performed by it.

1.7.5. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance or safety of performance of the Work and shall pay any costs or fees incurred in such compliance and any fines or penalties imposed for violation thereof and any costs or fees incurred by Owner due to any such violation.

1.7.6. It is not the responsibility of Contractor to make certain that the Contract Documents are in accordance with applicable laws, statutes, building codes, regulations or requirements of the American Insurance Association. If Contractor observes that any of the Contract Documents are at variance therewith in any respect, it shall promptly notify Owner and the Architect in writing, and any necessary changes shall be accomplished by appropriate Change Order; provided, however, if Contractor or any subcontractor performs any Work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to Owner and the Architect, it shall assume full responsibility therefor and shall bear all costs and expenses attributable thereto and for the correction thereof.

1.8. Title. Title to all work completed or in the course of construction or installation, all equipment, construction materials, tools and supplies, the cost of which is chargeable to the Work shall pass to Owner simultaneously with passage of title from the vendors thereof to Contractor.

1.9. Liens. Contractor shall keep the Premises free and clear from all liens and charges arising out of the Work, including materialmen's, laborers' and mechanics' liens, and shall give Owner prompt written notice of actual and prospective claims of any such liens or charges known to Contractor.

1.10. Warranty.

1.10.1. Contractor warrants to Owner that all materials, equipment and machinery furnished under the Contract Documents will be new unless otherwise specified and that all materials, equipment, machinery and Work will be of good quality, free from faults and defects and in conformance with the Contract Documents. If required by Architect or Owner, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

1.10.2. Contractor shall promptly correct all Work rejected by Architect or Owner as defective or as failing to conform to the Contract Documents whether observed or detected before or after Completion of the Work but within the time set forth in Section 1.10.3 below, and whether or not fabricated, installed or completed. Contractor shall bear all cost of correcting such rejected Work, including but not limited to damages to property not covered by Owner's insurance, and the fees or costs charged by any consultants of Owner and the cost of Architect's additional services thereby made necessary.

1.10.3. In addition to any guarantee or warranty contained in the Contract Documents or provided at law, Contractor guarantees that all Work shall be free from defects in workmanship and material, that Work shall be constructed and installed in accordance with the Contract Documents, and that all machinery and apparatus incorporated in the Work meets the tests, requirements and capacities prescribed in the Contract Documents. This guarantee applies to all defects and to all other matters occurring within a period of one (1) year from Completion of the Work or for four (4) full seasons of operation under full load conditions, whichever is later provided, however, that this guarantee shall apply to all defects and other matters occurring with respect to the roof for a period of fifteen (15) years and with respect to the plumbing (underground sanitary and storm sewers) for a period of two (2) years. Contractor shall also provide Owner with a Certificate of Limited Warranty in the form of Exhibit "C" attached hereto and made a part hereof. If any manufacturer or supplier of equipment or material furnishes a guarantee or warranty for a period in excess of the above stated period, Contractor shall assign such warranty to Contractor at the time the Work is Substantially Complete. In the event that any work is performed to correct, repair or remedy any portion of the work pursuant to any guarantee provided under the Contract Documents or otherwise available to Owner, the guarantee periods specified above or elsewhere in the Contract Documents shall begin anew from the date of Owner's acceptance of such work. Contractor further agrees that each Subcontract shall contain a guarantee of the work performed thereunder in the same form as the guarantee required of Contractor. Included in said guarantee shall be the statement that it shall be enforceable directly by Owner, if Owner so elects, or by any assignee of Owner. The guarantee of any subcontractor shall not relieve Contractor of its guarantee as set forth above and Owner may look to Contractor directly and in the first instance to correct any defects in the Work.

If at any time during the aforescribed guaranty period Owner shall give notice of a breach of guaranty obligation to Contractor or any applicable subcontractor Contractor or subcontractor or both shall, at no cost to Owner, cure such breach and the repair or replacement of any portion of the Work damaged or adversely affected by the curing of such breach. All such Work shall be performed by trades and persons reasonably acceptable to Owner with a minimum of inconvenience to Owner and at times least disruptive to the operation of the Project.

All defective or non-conforming portions of the Work shall be removed from the Premises if being replaced. The Work shall be corrected to comply with the Contract Documents without increase in the Contract Sum. Contractor shall bear the cost of making good all work destroyed or damaged by such removal or correction.

If Contractor does not commence to correct and/or remove such defective or non-conforming Work within ten (10) days after written notice from Architect or Owner, or if Contractor does not thereafter diligently prosecute such correction or removal, Owner may correct and/or remove same and may store any materials or equipment in connection therewith at the expense of Contractor. Contractor shall pay Owner all such costs including

compensation for additional architectural services, together with interest thereon from the date such sums are due to Owner at the Prime Rate of interest set forth in the Wall Street Journal and any costs incurred by Owner, including reasonable fees of counsel, to collect same.

1.10.4. The foregoing guarantees, warranties and remedies are not a limitation and shall not deprive Owner of any action, right or remedy otherwise available to it for breach of any of the provisions of the Contract Documents or for defects in the Work. The periods referred to above or such longer time as may be specified elsewhere in the Contract Documents shall not be construed as a limitation on the time in which Owner may pursue such other action, right or remedy.

1.11. Quality Control.

1.11.1. Contractor shall at all times provide sufficient, safe and proper facilities for the inspection of the Work by Architect, Owner and the party loaning funds to Owner in connection with the Work (hereinafter referred to as the "Lender") and their respective representatives. Contractor shall, within twenty-four (24) hours after receiving written notice from Architect or Owner, proceed to take down and remove all portions of the Work which Architect, Owner or the applicable governmental authority shall have condemned as unsound, improper or in any way failing to conform hereto and shall replace the same with proper and satisfactory Work and make good all work damaged or destroyed thereby. The failure to discover or notify Contractor of defective or nonconforming Work at the time the Work, or any portion thereof is performed or completed by Architect or any other party inspecting the Work shall not relieve Contractor of full responsibility for replacement of the defective or nonconforming Work and all damages resulting therefrom. Contractor agrees and understands that neither Owner nor Architect will provide continuous or exhaustive inspection of Contractor's Work and that Contractor is fully responsible for the materials, procedures, methods and techniques utilized and for providing completed Work. Neither failure to inspect the Work nor, upon inspection, failure to uncover defects in the Work shall be deemed acceptance of the Work. If Owner elects to accept defective or nonconforming Work, Owner may require an appropriate adjustment in the Contract Sum. No inspection, testing or other administrative activity performed by or for the benefit of Architect or Owner shall relieve Contractor from the obligation to perform the Work in strict accordance with Contract Documents.

1.11.2. Contractor shall establish a quality control program reasonably satisfactory to Owner and Architect to include sufficient inspection and testing of all portions of the Work, coordinated with the proposed construction sequence, to insure conformance to the Contract Documents with respect to materials, workmanship, construction, finish, functional performance and identification. This quality control program shall encompass all aspects of the Work and shall include all specific tests, surveillance and procedures as required by, or to assure compliance with, the Contract Documents and applicable laws, statutes, ordinances and regulations. No portion of the Work shall be commenced until Owner approves such quality control program.

1.11.3. Contractor shall furnish reports of all inspections and daily job reports to Architect and Owner and shall in a timely manner distribute copies of all inspection reports, certificates of inspection, testing or approval directly to Architect, Owner and such other parties as Owner requests. Contractor shall give Architect and Owner timely notice of all tests and inspections, so that Architect and Owner may observe such inspection, testing or approval. Contractor shall be responsible for and bear all costs of such inspections, tests or approvals required by the Contract Documents or any public authority. Owner shall bear all costs of inspections, tests or approvals not required by the Contract Documents or any public authority, but which are requested by Owner; provided, however, that if any such inspection or testing reveals a failure of the Work to comply with the requirements of the Contract Documents or any laws, ordinances, regulations or orders of any public authority having jurisdiction over the Work and/or the Premises, then Contractor shall bear all costs thereof, including compensation for Architect's additional services made necessary by such failure. Required certificates of inspection, testing or approval shall be secured by Contractor and promptly delivered by it to Architect and Owner.

1.11.4. Contractor shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Work performed. All such books, records and other documents, shall be available for inspection, copying, audit and examination.

1.11.5. Contractor shall provide monthly Project status report books to Owner detailing the progress of the Work, compliance with the requirements of any redevelopment agreement now or hereafter entered into between Contractor and the City relating to the Project ("Redevelopment Agreement") and this Construction Contract and containing such other information reasonably requested by Owner.

1.12. Changes.

1.12.1. Owner hereby reserves the right at any time and from time to time, by written order (hereinafter referred to as a "Change Order") to Contractor, to make changes in the Work as it, in its sole discretion, may deem necessary. Contractor shall thereupon perform the changed Work in accordance with the terms of this Construction Contract and the Change Order. All change orders requested by Contractor or third parties (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Work must be submitted to Owner concurrently with monthly progress reports submitted by Contractor. No work relating to any change order or the furnishing of materials in connection therewith shall be commenced prior to the receipt of Owner's written approval.

1.12.2. Upon request of Owner, Contractor shall review all data presented to it by Owner relating to a change in the Work and shall upon the request of Owner expeditiously submit a written proposal for any applicable price and time adjustment attributable to Owner's request for information relating to a change in the Work, containing such detail and supporting documentation as Owner may require.

1.12.3. When a Change Order is issued pursuant to a change required by Owner, the Contract Sum shall be adjusted by the net amount of any direct savings and direct cost (as such terms are hereinafter defined) plus an amount equal to fifteen percent (15%) multiplied by such net amount. As used in this Construction Contract, Contractor's direct savings and direct costs shall mean and be limited to the aggregate of the cost incurred or savings resulting from the addition or deletion of the following items: (i) materials, including sales tax and cost of delivery; (ii) labor, including social security, old age and unemployment insurance, and fringe benefits required by agreement or custom; (iii) worker's compensation insurance; (iv) bond premiums if and to the extent actually increased; and (v) actual rent not greater than the rent charged in the locale for the reasonable value of equipment and machinery owned by Contractor.

1.12.4. If the parties are unable to agree upon the amount of the adjustment to the Contract Sum and the extent of any time adjustment, Owner may issue a directive to Contractor directing such Work to be performed by Contractor, and any adjustments shall be subject to ultimate determination in accordance herewith; provided, however, Contractor shall, nonetheless, proceed immediately with the changed Work. Contractor shall keep a detailed account of the direct savings and direct costs due to the changed Work separately from its other accounting records and shall make such records available to Owner at Owner's request. Failure to keep adequate and separate cost records of the changed Work, and to furnish same to Owner upon its request, shall constitute an acceptance on Contractor's part of any determination then made by Owner of the direct savings and direct costs of such changed Work. In no event shall Contractor proceed with changed Work without a Change Order or a directive issued pursuant to this Section 1.12 and Owner shall not be liable for any additional costs incurred or delays encountered in the performance of such changed Work without such a written Change Order. Contractor shall not make any change in the Work other than as set forth in a Change Order. All changes to the Work shall be deemed a part of the Work and shall be governed by this Construction Contract.

1.12.5. All change orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project or any plans or specifications must be submitted to Owner and

the City concurrently with monthly progress reports submitted by Contractor and each subcontractor. Any change order relating to any of the following must be submitted to Owner and the City for their prior written approval: (a) a reduction in the square footage of the Project; (b) a change in the proposed use of the Project to a use other than those uses permitted under the Redevelopment Agreement; or (c) a delay in the completion of the Project. No work relating to any change order or the furnishing of materials in connection therewith shall be commenced prior to the receipt of Owner's and the City's written approval.

1.13. Authority. The Architect and Owner shall have the authority to reject Work which does not conform to the Contract Documents. Whenever, in the reasonable opinion of the Architect or Owner, it is necessary or advisable to ensure the proper implementation of the intent of the Contract Documents, it will have authority to require special inspection or testing of the Work. The Architect, to act under this Section 1.13, nor any decision made by it either to exercise or not to exercise such authority, shall give rise under the Contract Documents to any duty, liability or responsibility of Owner. Owner shall be the interpreter of the Contract Documents and shall be the judge of the performance of Contractor and subcontractors. Subject to the provisions of Article VII hereof, claims, disputes and other matters of controversy relating to the Contract Documents or the Work shall be decided by Owner. The decision of Owner shall be final if consistent with the Contract Documents. The authority of Owner contained in this Section 1.13 shall be deemed to be an independent covenant of the Contract Documents.

1.14. Means, Methods and Techniques. The means, methods, techniques, sequences, procedures and safety measures utilized in the performance of the Work are the sole responsibility of Contractor. Any means, method, technique, sequence or procedure set forth in the Contract Documents is solely to specify the desired end result; and if the means, method, technique, sequence or procedure will not result in the desired end result or is unsafe or illegal, it is Contractor's responsibility to select a correct means, method, technique, sequence or procedure. Nothing in the review of the general quality and progress of the Work, including review of submittals and work by the Architect and Owner, shall be construed as the assumption of authority for administration or supervision over the performance of the Work.

1.15. Construction Progress Schedule.

1.15.1. Contractor has heretofore prepared and submitted to Architect and Owner an estimated Construction Progress Schedule for the Work, which is attached to this Construction Contract as Exhibit "D" (hereinafter referred to as the "Construction Progress Schedule"). Owner's review of the Construction Progress Schedule and the monthly schedules described in Paragraph 1.15.3 hereof shall not indicate approval or disapproval thereof, it being understood that the interrelation and scheduling of trades and subcontracts is the obligation of Contractor, with the obligation of Owner being limited to an authorization of the date of commencement of construction and a confirmation of a proposed date of Completion of the Work. The Construction Progress Schedule relates to the Work and indicates the estimated dates for the starting and completion of the various stages thereof.

1.15.2. The Construction Progress Schedule shall be a logic network prepared in the critical path method or other sequential network in use within the construction industry and shall depict: (i) a sequence of operations mutually agreeable to Owner, Architect and Contractor; (ii) the dates of commencement and completion of each of the various stages of the Work (including lead time activities, drawing and Sample submissions, bidding, awarding subcontracts, manufacturing and shipping); and (iii) delivery dates for materials and equipment. The Construction Progress Schedule includes a complete itemized breakdown of the Work. It shall be Contractor's responsibility to use its best efforts and to act with due diligence to maintain the progress of the Work in accordance with the Construction Progress Schedule. Notwithstanding any other provisions hereof to the contrary, the time for completion may be extended only by a written Change Order executed by Owner and Contractor.

1.15.3. Contractor shall, monthly during the progress of the Work, submit to Owner an updated Construction Progress Schedule. Such schedules shall be submitted to Owner on forms provided or approved by

2.3.3.2. formally prepared "as-built" drawings, records and related data including all field notes of all the Work. Such drawings are to be on "mylar" and not "sepia" reproducible drawings;

2.3.3.3. all operating manuals, parts lists, Contractor's lists, and repair source lists;

2.3.3.4. all guarantees and warranties to which Owner is entitled hereunder;

2.3.3.5. satisfactory proof that all liens and claims relating to the Work have been paid and released;

2.3.3.6. acknowledgment of prior payments and waivers of lien from all subcontractors and Contractor;

2.3.3.7. Owner's and Architect's certificate certifying Completion of the Work;

2.3.3.8. written statement from the Architect and Owner that all practical orientation and physical operating instructions for all materials, systems and equipment have been satisfactorily completed;

2.3.3.9. satisfactory report of an outside professional agency that all mechanical systems have been and are properly balanced;

2.3.3.10. copies of all tests required under Section 1.11 hereof;

2.3.3.11. schedule of values for various Project component systems and equipment as required by Owner for purposes of obtaining investment tax credit and accelerated depreciation;

2.3.3.12. four (4) full copies in paper plan version 24" X 36", four (4) full copies in 16" X 22" and one (1) electronic copy of formally prepared "as-built" drawings, records and related data including all field notes of all the work;

2.3.3.13. all practical orientation and physical operating instructions for all materials, systems and equipment have been satisfactorily completed.

2.3.4. Neither the final payment nor the remaining reserve shall become due until Contractor submits to Owner (i) consent of any surety to final Payment; and (ii) if required by Owner, other data establishing payment or satisfaction of all such obligations, such as receipts, releases and waivers of liens arising out of the Contract, to the extent and in such form as may be designated by Owner. If any subcontractor refuses to furnish a release or waiver required by Owner, Contractor may furnish a bond satisfactory to Owner to indemnify it against any such lien. If any such lien remains unsatisfied after all payments are made, Contractor shall refund to Owner all monies that the latter may be compelled to pay in discharging such lien, including all costs, expenses and reasonable attorneys' fees.

2.3.5. Completion of any part of the Work shall be deemed to occur only after final inspection by Architect and Owner, as set forth above, and when all requirements of the Contract Documents have been completed. Upon Completion of such Work and issuance of the certificates, permits and other items described above, Owner may take over the Work for occupancy and use thereafter.

2.4. Additional Compensation. Contractor shall not be entitled to receive any extra compensation of any kind whatsoever, for extra or additional work of any kind, unless the same was ordered by Owner in writing, signed by the authorized representative of Owner. Contractor specifically agrees that it will make no claim that it

was authorized to do any extra work or make any modification to the Work in the absence of such written order. The Contract Sum is the full and total remuneration and consideration to be paid to Contractor for the performance of the Work.

2.5. Royalties. Contractor agrees to pay all royalties and license fees and to indemnify and hold harmless Owner and its agents from loss or damage or expense to which they may be put as a result of claims made or litigation on account of alleged violation or infringement of any royalties, patents or patented rights arising out of the Work, methods, materials or things used by Contractor.

2.6. Withholding of Payment. Owner hereby reserves the right to withhold payment, to the extent necessary, to protect itself from loss due to any of the following: (a) defective work; (b) evidence indicating the probable filing of claims by other parties against Owner or its agents in connection with this Construction Contract; (c) failure of Contractor to pay any of its subcontractors or material suppliers; and (d) damage caused by Contractor or any subcontractor of Contractor to Owner or its agent or representatives.

### **ARTICLE III** Contractor's Liability

3.1. Assumption of Liability. To the extent permitted by applicable law, Contractor assumes the entire responsibility and liability for, and agrees to hold Owner, Owner's Lender, the Architect and their agents, employees, partners, beneficiaries and anyone else acting on behalf of any of the foregoing (all of said parties are hereinafter sometimes collectively referred to as "Indemnitees"), harmless from, any and all damage or injury of any kind or nature whatsoever (including death resulting therefrom) to all persons whether employees of Contractor or otherwise, and to all property (including loss of use thereof) to the extent caused by, resulting from, arising out of or occurring in connection with the execution of the Work, and all damage, direct or indirect, of whatsoever nature, to the extent resulting from the performance of the Work. If any person shall make a claim for any damage or injury (including death resulting therefrom) as hereinabove described, whether such claim be based upon any alleged active or passive negligence or participation in the wrong or upon any alleged breach of any statutory duty, administrative regulation (whether non-delegable or otherwise) or obligation on the part of an Indemnitee or its agents, or otherwise, Contractor agrees to indemnify and save such Indemnitee harmless from and against all losses and all liabilities, expenses and other detriments of every nature and description (including attorneys' fees), to which the Indemnitee may be subjected by reason of any act or omission of Contractor or of any of Contractor's subcontractors, employees, agents, invitees or licensees, to the extent such loss, liability, expense or other detriment arises out of or is in connection with the performance of Work, including, but not limited to, personal injury and loss of or damage to property of the Indemnitee or others. Contractor agrees to assume on behalf of the Indemnitee or its agents or contractors the defense through counsel of any action at law or equity which may be brought against any of such parties upon such claim and to pay on behalf of same upon demand the amount of any judgment which may be entered against any of such parties in any such action. The obligation under this paragraph shall be continuing and shall not be diminished by any approval or acceptance of or payment for work by Owner or its agents.

Without limiting the generality of the foregoing, the indemnity hereinabove set forth shall include all liability, damages, loss, claims, demands and actions on account of personal injury, death or property loss to any Indemnitee and any of Indemnitee's employees, agents, contractors, licensees or invitees, whether based upon or claimed to be based upon, statutory (including, without limitation, workmen's compensation), contractual, tort or other liability of any Indemnitee, contractor or subcontractor or any other persons. The provisions of this indemnification paragraph shall not be construed to indemnify any Indemnitee for any loss or damage attributable to the acts or omissions of such Indemnitee or to eliminate or reduce any other indemnification or right which an Indemnitee may have by law. No bond or insurance protection nor any limitation on the amount or type of damages,

compensation or benefits payable by or for the Indemnitors under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts shall limit the indemnity hereinabove provided.

3.2. No Limitation. The obligations of Contractor hereunder shall extend to the liability of the Architect, his agents or employees, arising out of (i) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs or specifications, or (ii) the giving of or the failure to give directions or instructions by the Architect, its agents or employees, provided that the giving or failure to give such direction or instruction is the primary cause of the injury or damage.

3.3. Employees. Contractor and all subcontractors agree to assume the entire liability for all personal injury and claims of personal injury suffered by their own employees asserted by persons allegedly injured in connection with the Work, and hereby waive any limitation of liability whatsoever, including but not limited to limitations based upon the Worker's Compensation Act. To the extent permitted by law, Contractor and all subcontractors agree to indemnify, hold harmless and defend Owner and its agents, contractors and employees from and against any and all loss, expense, damage or injury, including court costs and reasonable fees of counsel sustained as a result of all such personal injury and claims of personal injury arising as a result of any act or omission of Contractor, any subcontractor or anyone acting on behalf of Contractor.

3.4. Indemnity. Contractor agrees to protect, defend, indemnify and save harmless Owner and its officers, directors, partners, employees, contractors, subcontractors and agents from all liabilities, costs, damages, fees and expenses arising out of or connected with the activities of Contractor and its representatives, including, but not limited to, mechanics' liens, damage to the Project, delays in construction, and injury to persons or property resulting from such activities in connection therewith, and the cost of any repairs to the Project necessitated by activities of Contractor or its subcontractors, except to the extent arising from Owner's written directions to Contractor or otherwise directly attributable to Owner's supervision and control of the Work.

Owner agrees to protect, defend, indemnify and save harmless Contractor and its officers, directors, partners, employees, subcontractors and agents from all liabilities, costs, damages, fees and expenses arising out of or connected with the activities of Owner or third party contractors in or about the Premises, except to the extent directly attributable to Contractor.

Each party acknowledges that the foregoing indemnities shall be in addition to any insurance requirements of the other party and shall not be in discharge of or in substitution for same.

## **ARTICLE IV**

### **Insurance**

4.1. Type of Insurance. Contractor shall purchase and maintain the following insurance issued in amounts required by law but in no event less than those specified below and no Work shall be commenced under this Construction Contract until Contractor shall have obtained all requisite insurance and Owner shall have approved of same:

4.1.1. Workmen's Compensation in accordance with the laws of the state where the Premises are located, covering all employees who are to provide service under this Construction Contract, including a broad form, all states endorsement, and Employers Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) each accident or illness.

4.1.2. Comprehensive General Liability Insurance as follows:

4.1.2.1. Bodily Injury and Personal Injury Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for injuries sustained by one or more persons in any one accident, but in any event not less than the limits provided by applicable law, statute or ordinance; and

4.1.2.2. Property Damage Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for each accident and TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) aggregate for each year of the policy period; and

4.1.2.3. Above to include all premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement although some customary exclusions may apply), Blanket Contractual Liability, Completed Operations, Broad Form Property Damage, Elevator Liability, an Installation Floater, Independent Contractors, Personal Injury (employees exclusion deleted), and "X", "C" and "U" exclusions deleted.

4.1.3. Comprehensive Automobile Liability as follows:

4.1.3.1. Bodily Injury Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for injuries sustained by each person in any one accident and TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for injuries sustained by two or more persons in any one accident; and

4.1.3.2. Property Damage Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for each accident; and

4.1.3.3. Above to include employer's owned, non-owned, leased and hired car coverage.

4.1.4. When any work is to be done adjacent to or on railroad or transit property, each contractor or subcontractor shall provide, or cause to be provided with respect to the operations that each performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy has limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

4.1.5. Contractor shall provide All Risk Builders Risk Insurance (with customary exclusions) at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. Owner and City shall be named as additional insured and loss payee.

4.1.6. When any architects, engineers, construction managers or other professional consultants perform work in connection with the Work, professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

4.1.7. When any plans, designs, drawings, specifications and documents are produced or used under the Work, Valuable Papers Insurance shall be maintained in an amount to insure against any loss whatsoever, and has limits sufficient to pay for the re-creations and reconstruction of such records.

4.1.8. When any remediation work is being performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of one (1) year.

4.1.9. The above required Comprehensive General Liability Insurance Policy and Comprehensive Automobile Liability Policy shall each be written on an occurrence form and contain an omnibus clause providing that Architect, Lender and Owner are included and Owner and the City are to be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from the Work.

4.2. Requirements of Insurers. Contractor shall comply with all requirements of the insurers issuing the aforesaid policies. The carrying of any of the aforesaid insurance shall not be interpreted as relieving Contractor from any obligation hereunder.

4.3. Subcontractor Insurance. Contractor shall require all subcontractors to obtain and maintain separate coverage in compliance with the provisions of Section 4.1., but with such reasonable limits as required by Owner. Each of the aforesaid policies of Contractor and all subcontractors shall (i) be considered primary insurance without recourse to any other similar insurance; and (ii) include Owner and the City as additional insureds as required above.

4.4. Tools and Equipment.

4.4.1. Owner shall not be responsible for, nor shall it insure, the property of Contractor, including, but not limited to, tools and equipment located at the Premises. Contractor and its subcontractors shall be responsible for providing theft or other insurance to protect its interest in materials in transit or in storage off the Premises.

4.4.2. Contractor shall maintain Contractors Equipment Floater Insurance for owned or leased equipment under its care, custody and control as required for the performance of Contractor's duties. Such insurance shall be for the sole benefit of Contractor.

4.5. Notice of Cancellation. All insurance obtained by Contractor as herein required shall contain a provision that coverages afforded under said policies shall not be cancelled or materially changed without at least sixty (60) calendar days' written notice to Owner, and shall be underwritten with responsible insurance carriers rated not less than a Best's rating of "A10" and otherwise satisfactory to Owner and licensed to do business in the state where the Premises is located.

4.6. Certificates. Certificates of insurance evidencing compliance with this Agreement in the form of ACORD 27, specifically stating that the insurance evidenced thereby is primary to any other valid and collectible insurance and, if requested by Owner, the applicable policies evidencing the foregoing insurance, shall be presented to Owner prior to commencement of the Work. Contractor shall advise all of its insurers of these insurance provisions. Non-conforming insurance shall not relieve Contractor of the obligation to provide insurance as specified

herein. Neither Contractor nor any subcontractor may commence any portion of the Work until proper evidence of insurance is provided.

4.7. Other Insurance Requirements. Contractor will furnish Owner with original Certificates of Insurance evidencing the required coverage to be in force on the date of this Construction Contract, and renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Construction Contract. The receipt of any Certificate does not constitute agreement by Owner that the insurance requirements in the Construction Contract have been fully met or that the insurance policies indicated on the Certificate are in compliance with all Construction Contract requirements. The failure of Owner to obtain Certificates or other insurance evidence from Contractor shall not be deemed to be a waiver by Owner. Contractor shall advise all insurers of the Construction Contract provisions regarding insurance. Non-conforming insurance shall not relieve Contractor of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Construction Contract, and Owner retains the right to terminate this Construction Contract until proper evidence of insurance is provided. The insurance shall provide for sixty (60) days prior written notice to be given to Owner and the City in the event coverage is substantially changed, canceled, or non-renewed. Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by Contractor. Contractor agrees that insurers shall waive rights of subrogation against Owner and the City, its employees, elected officials, agents or representatives. Contractor expressly understands and agrees that any coverages and limits furnished by Contractor shall in no way limit Contractor's liabilities and responsibilities specified within this Construction Contract or by law. Contractor expressly understands and agrees that Contractor's insurance is primary and any insurance or self insurance programs maintained by Owner and the City shall not contribute with insurance provided by Contractor under the Construction Contract. The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law. Owner and the City Risk Management Department maintains the right to modify, delete, alter or change the insurance requirements, from time to time, so long as any such change does not increase the requirements set forth herein.

## **ARTICLE V** **Termination**

5.1. Termination by Owner. If Contractor: (i) should fail to prosecute the Work with reasonable promptness and diligence, or should fail or refuse to supply sufficient skilled workmen or materials of the proper quality, and should Contractor fail to cure same within seven (7) days after written notice from Owner to Contractor, or (ii) should fail to make prompt payment to subcontractors or for material or labor pursuant to the provisions hereof, or should Contractor become insolvent or be unable to pay its debts as they mature, or make a general assignment for the benefit of creditors, or if a receiver should be appointed for the whole or any substantial part of Contractor's property, or if Contractor should file a petition in bankruptcy or be adjudicated a bankrupt, or should any proceedings be filed under the Bankruptcy Act, either voluntary or involuntary, and such appointment or bankruptcy or insolvency proceedings, petition or assignment is not set aside within thirty (30) days, or if Contractor defaults in the performance of any provision of this Construction Contract then, in any such event, Owner may, in addition to all other rights and remedies provided by law, terminate this Construction Contract by giving written notice to Contractor and, without prejudice to other rights or remedies provided by law or by this Construction Contract, may take possession of the Premises and of all or any part of the materials or equipment delivered or in transit to the Premises and finish the Work by whatever method it may deem expedient. In the event of such termination, Contractor shall be paid for unpaid authorized costs of work prior to termination, subject to Owner's approval in the manner specified in this Construction Contract, minus any additional costs incurred by Owner resulting from such termination.

5.2. Remedy by Owner. If Contractor, or any subcontractor, defaults or neglects to carry out the Work in accordance with the Contract Documents, and fails after notice to Contractor, to commence and continue, correction of such default or neglect, with diligence and promptness Owner may, without prejudice to any other remedy it may have, correct or cause the correction of such deficiencies. In such case, an appropriate Change Order shall be issued deducting from the payments then or thereafter due Contractor, the amount deemed necessary by Owner to correct such deficiencies, including, but not limited to, all costs of the Architect's additional services made necessary by such default, neglect or failure. If the payments then or thereafter due to Contractor are not sufficient to cover such amount, Contractor shall immediately pay the difference to Owner.

5.3. Termination by Contractor. Should Owner default in its obligations hereunder and should it fail to cure same within seven (7) days after written notice from Contractor to Owner, Contractor may, at its sole and exclusive remedy hereunder, terminate this Construction Contract. Upon such a termination, Contractor shall be entitled to recover from Owner, full payment for all work performed to the date of such termination along with a reasonable amount for overhead and profit.

5.4. Claims for Consequential Damages. Contractor and Owner waive claims against each other for consequential damages arising out of or relating to this Construction Contract.

## **ARTICLE VI**

### Bids and Subcontractors

6.1. Bids. Contractor shall solicit bids from and obtain bids from at least three qualified and competitive subcontractors or materials suppliers eligible to do business with the City for any trade contract or material supplier. All bids shall be submitted to Owner and the City for approval.

6.2. Subcontractors. The identity of any subcontractors shall be subject to the approval of Owner and the City and shall consist of the subcontractor submitting the lowest responsible bid who can complete the Work in a timely manner.

6.3. Contracts. Contractor shall submit copies of each letter of intent and contract with any subcontractor to Owner and the City for approval. Photocopies of all such contracts and subcontracts shall be provided to Owner and the City within ten (10) business days prior to the execution thereof and fully executed copies of the approved contracts and subcontracts shall be provided to Owner and the City within five (5) days of the execution thereof.

6.4. Bonds. Contractor and all and subcontractors shall procure bid, payment and performance bonds as required by Owner. Prior to the commencement of any portion of the Work which includes work on the public way, Contractor performing the work shall be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. Owner and the City, as applicable, shall be named as obligee or co-obligee on any such bonds.

## **ARTICLE VII**

### Redevelopment Agreement

7.1. Redevelopment Agreement. Contractor and all of its subcontractors must comply in all respects with any and all of Owner's obligations under any tax increment financing arrangement including, without limitation, the Redevelopment Agreement.

**ARTICLE VIII**  
Employment

8.1. Employment Reports. Contractor shall deliver to Owner written progress reports detailing compliance with the requirements of the employment requirements set forth herein. Such reports shall be delivered to Owner when the Work is 25%, 50%, 70% and 100% complete. If any such reports indicate a shortfall in compliance, Contractor shall also deliver a plan to Owner which shall outline, to Owner's satisfaction and to the satisfaction of the City, the manner in which such contractor or subcontractor shall correct any shortfall. Contractor shall submit to Owner and the City, from time to time upon request, statements of its employment profile.

8.2. Wages. Contractor agrees 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 the request of Owner or the City, each contractor or subcontractor shall provide Owner and the City with copies of all contracts entered into by Contractor or subcontractor to evidence compliance with the provisions of this paragraph.

8.3. Employment Requirements. Contractor agrees (and that it will require its subcontractors to agree) that, during the period of construction of the Project:

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

8.3.2. To the greatest extent feasible, Contractor is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the redevelopment area around the Project; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area (as defined in the Redevelopment Agreement).

8.3.3. Contractor shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City of Chicago's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

8.3.4. Contractor, in order to demonstrate compliance with the terms hereof, shall cooperate with and promptly and accurately respond to inquiries by Owner and the City or any department thereof, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

8.3.5. Contractor shall include the foregoing provisions of this Article IX in every contract entered into in connection with the Work and every agreement with any affiliate performing the Work, so that each such provision shall be binding upon each contractor, subcontractor or affiliate, as the case may be.

8.3.6. Failure to comply with the employment obligations described herein shall be a basis for Owner and the City to pursue remedies against Contractor.

8.3.7. Contractor shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage each contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both unskilled and skilled labor positions.

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

8.3.9. Contractor shall maintain adequate employee residency records to show that actual Chicago residents are employed for the Work. Contractor shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

8.3.10. Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to Owner and The City in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that Contractor or subcontractor hired the employee should be written in after the employee's name.

8.3.11. Contractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of The City, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Each contractor and subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

8.3.13. Good faith efforts on the part of Contractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Article concerning the worker hours performed by actual Chicago residents.

8.3.14. When the Work is completed, in the event that Owner or the City has determined that Contractor has failed to ensure the fulfillment of the requirement of this Article concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, Owner and the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Article. Therefore, such contractor or subcontractor shall indemnify Owner and the City for any damages, costs, liabilities or sums which Owner or the City (as applicable) incurs as a result of such shortfall toward the stipulated residency requirement. The willful falsification of statements and the certification of payroll data may subject the applicable contractor or subcontractor to prosecution.

8.3.15. Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

8.3.16. Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs: (a) at least 25 percent by MBEs; and (b) at least 5 percent by WBEs.

8.3.17. Prior to the commencement of the Work, Contractor shall be required to meet with Owner and the monitoring staff of The City with regard to compliance with these rules and regulations. During this meeting, Contractor or subcontractor, as applicable, shall demonstrate to Owner and the City its plan to achieve its obligations under these rules and regulations, the sufficiency of which shall be approved by Owner and the City.

8.3.18. During the Work, Contractor shall submit the documentation required by these rules and regulations to Owner and the monitoring staff of the City, including the following: (i) contractor's or subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Work via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements.

8.3.19. Contractor shall attend, manage and conduct outreach meetings and otherwise use its best efforts to comply with all employment requirements of these rules and regulations and as may otherwise be required under the Redevelopment Agreement.

## ARTICLE IX

### Access

9.1. Owner's Access. During the performance of the Work, Owner shall have the right to inspect the Project to monitor the progress of construction and Contractor's and each subcontractor's compliance with this Construction Contract.

9.2. Contractor's Access. Contractor shall be permitted access to the applicable portion of the Project reasonably designated by Owner for the performance of the Work only if they comply with all of the terms and conditions of this Construction Contract.

## ARTICLE X Separate Contractors

### 10.1. Owner's Right to Perform Construction and to Award Separate Contracts.

10.1.1. Owner reserves the right to perform construction or operations related to the Project with Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If Contractor claims that delay or additional cost is involved because of such action by Owner, Contractor shall make such a request for a Change Order.

10.1.2. Owner shall provide for coordination of the activities of Owner's own forces and of each separate contractor with the Work of Contractor, who shall cooperate with them. Contractor shall participate with other separate contractors and Owner in reviewing their construction schedules when directed to do so. Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by Contractor, separate contractors and the other until subsequently revised.

10.1.3. When Owner performs construction or operations related to the Project with Owner's own forces, Owner shall be deemed to be subject to the same obligations and to have the same rights which apply to Contractor under this Construction Contract.

### 10.2. Mutual Responsibility.

10.2.1. Contractor shall afford Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate Contractor's construction and operations with theirs as required by the Contract Documents.

10.2.2. If part of Contractor's Work depends for proper execution or results upon construction or operations by Owner or a separate contractor, Contractor shall, prior to proceeding with that portion of the Work, promptly report to Owner apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of Contractor so to report shall constitute an acknowledgment that Owner's or separate contractor's completed or partially completed construction is fit and proper to receive Contractor's Work, except as to defects not then reasonably discoverable.

10.2.3. Owner shall be reimbursed by Contractor for costs incurred by Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of Contractor. Owner shall be responsible to Contractor for costs incurred by Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

10.2.4. Contractor shall promptly remedy damage wrongfully caused by Contractor to completed or partially completed construction or to property of Owner or separate contractors.

10.3. Owner's Right to Clean Up.

10.3.1. If a dispute arises among Contractor, separate contractors and Owner as to the responsibility under their respective contracts for maintaining the Premises and surrounding area free from waste materials and rubbish, Owner may clean up and the Architect will allocate the cost among those responsible.

**ARTICLE XI**  
General Provisions

11.1. Assignment. This Construction Contract may not be assigned or encumbered by Contractor. Contractor shall be as fully responsible to Owner for the acts, omissions, materials and workmanship of its subcontractors and their employees as for the acts, omissions, materials and workmanship of Contractor. Nothing herein contained shall be deemed a waiver of any right of Contractor to enforce liability against a subcontractor of Contractor.

11.2. Notices. All written notices hereunder shall be deemed to be made properly if personally delivered or sent by a nationally-recognized overnight courier service or by registered or certified mail, return receipt requested, and addressed to the parties at the addresses heretofore set forth. The address may be changed by either party giving such notice. Notice shall be deemed received upon delivery or if delivery is refused upon attempted delivery.

11.3. Entire Agreement. This Construction Contract constitutes the entire agreement between Contractor and Owner relating to the Work. Except as specifically provided herein, no modification, waiver, termination, rescission, discharge or cancellation of this Construction Contract or of any terms thereof shall be binding on Owner unless in writing and executed by an officer or employee of Owner specifically authorized to do so.

11.4. Waiver. No waiver, termination, discharge or cancellation of this Construction Contract or of any terms hereof or certificate, approval or payment made to Contractor, or use or occupancy of the Work shall impair Owner's rights with respect to any liabilities, whether or not liquidated, of Contractor to Owner.

11.5. Governing Laws. This Construction Contract shall be construed in accordance with the laws of the State of Illinois.

11.6. Saving Clause. If any term or provision of this Construction Contract shall be found to be illegal, unenforceable or in violation of the laws, statutes, ordinances or regulations of any public authority having jurisdiction thereof by a court of competent jurisdiction, then, notwithstanding such term or provision, this Construction Contract shall be and remain in full force and effect and such term shall be deemed stricken; provided, however, this Construction Contract shall be interpreted, when possible, so as to reflect the intentions of the parties as indicated by any such stricken term or provision.

11.7. Joint Effort. The preparation of this Construction Contract has been a joint effort of the parties hereto and the resulting documents shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

11.8. Captions. The captions in this Agreement are for convenience only and shall have no bearing or effect upon the terms hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Construction Contract to be properly executed as of the day and year first above written.

**OWNER:**

**CIPM, L.L.C., an Illinois limited liability company**

By: CenterPoint Realty Services Corporation, an Illinois corporation, its sole member

By: *Fred D Reynolds*

Name: \_\_\_\_\_

Title: FRED D. REYNOLDS

VICE PRESIDENT

By: *Michael A. Tortorica*

Name: MICHAEL A. TORTORICA

Title: ASSIST SECRETARY

**CONTRACTOR:**

**FCL BUILDERS, INC., an Illinois corporation**

By: *Charles G. DeBano*

Name: CHARLES G. DEBANO

Title: EXECUTIVE VICE PRESIDENT

**EXHIBIT "A"**  
**PREMISES**

**PARCEL 1:**

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 AND 15 IN BLOCK 13 (EXCEPTING THEREFROM THE WEST 65 FEET OF THE SOUTH 15 FEET OF LOT 2 AND THE WEST 15 FEET OF LOTS 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 AND 15 IN BLOCK 13) AND LOTS 16, 17 AND 18 (EXCEPTING THEREFROM THE WEST 100 FEET THEREOF), IN BLOCK 13; AND LOTS 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33 AND 34 IN BLOCK 12 AND LOT 35 (EXCEPTING THEREFROM THE NORTH 80.4 FEET OF THE EAST 30 FEET THEREOF) AND LOT 36 (EXCEPTING THEREFROM THE EAST 80 FEET THEREOF) IN BLOCK 12, ALL SAID LOTS AND BLOCKS BEING IN S. J. WALKER'S DOCK ADDITION TO CHICAGO BEING A SUBDIVISION OF THAT PART OF THE EAST ½ OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH LIES NORTH OF THE WEST BRANCH OF THE SOUTH BRANCH OF THE CHICAGO RIVER IN COOK COUNTY, ILLINOIS.

**PARCEL 2**

THE WESTERLY ½ OF CANAL "C" LYING EAST OF AND ADJOINING LOTS 19 TO 35, BOTH INCLUSIVE, (EXCEPTING THEREFROM THE NORTH 80.4 FEET OF THE WESTERLY ½ OF CANAL "C" LYING EAST OF AND ADJOINING THE NORTH 80.4 FEET OF LOT 35), ALL IN BLOCK 12 IN S. J. WALKER'S DOCK ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE EAST ½ NORTH OF RIVER OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

FDR

INITIAL HERE CGD

**EXHIBIT "B"**  
**PLANS**

Chicago International Produce Market Site Plan  
Prepared by Cornerstone Architects, Ltd.  
Job # 98167, dated December 29, 2000

FOR  
C/O  
~~INITIAL HERE~~

**EXHIBIT "B"**

INITIAL HERE ..CGD.....  
FDR

**PRELIMINARY SPECIFICATIONS  
FOR**

***THE CHICAGO INTERNATIONAL  
PRODUCE MARKET***

**January 24, 2001**

This outline specification, along with the attached preliminary plans prepared by Cornerstone Architects, Ltd., Job No. 98167, dated 12/29/00 shall define the scope of a new facility for The Chicago International Produce Market.

## Table of Contents

**General Description**.....Section 1.00

- 1.10 Size of Building and Tract:
- 1.20 General Conditions

**Design**.....Section 2.00

**Site Work**.....Section 3.00

- 3.10 Seawall Repairs
- 3.20 Demolition
- 3.30 Earthwork
- 3.40 Site Utilities
- 3.50 Wolcott R.O.W. (and Blue Island intersection) Improvements
- 3.60 Site Paving
  - 3.60.1 Concrete
  - 3.60.2 Bituminous
- 3.70 Exterior Finishes
  - 3.70.1 Curbs and Sidewalks
  - 3.70.2 Exterior Lighting
  - 3.70.3 Fencing
  - 3.70.4 Landscaping

**Building Shell**.....Section 4.00

- 4.10 Exterior Precast Walls
- 4.20 Steel Structural
- 4.30 Roof
  - 4.30.1 Roof System
  - 4.30.2 Roof drains and interior storm piping

- 4.40 Concrete and Floor Slabs
  - 4.41 Floor Slabs
  - 4.42 Floor Hardner
  - 4.43 Rodent Strip
  
- 4.50 Truck Docks and Equipment:
  - 4.51 Truck Loading Doors
  - 4.52 Truck Dock Accessories

<b>HVAC System</b> .....	Section 5.00
<b>Plumbing</b> .....	Section 6.00
<b>Fire Protection</b> .....	Section 7.00
<b>Electrical</b> .....	Section 8.00
8.10 Electrical Service	
8.20 Lighting	
8.30 Fire Alarm	
<b>Guard House</b> .....	Section 9.00
<b>Entrance Feature/ Signage</b> .....	Section 10.00
<b>Miscellaneous</b> .....	Section 11.00
<b>Demising Wall</b> .....	Section 12.00
<b>Alternates</b> .....	Section 13.00
13.10 Trailer/Additional Parking Paving Improvements	
13.20 Alternate Floor Hardner	
<b>Sale Tax Abatement, State Grants or Funding</b> .....	Section 14.00
14.10 Sale Tax Abatement on Construction Materials (DEDUCT)	
14.20 State Grants or Funding (DEDUCT)	

## **1.00 GENERAL DESCRIPTION**

### **1.10 Size of Building and Tract:**

The total facility will be approximately 436,224 square feet, located on a 25.78 acre parcel (1,123,188 square feet) on Wolcott Ave. & The Chicago River in Chicago, Illinois. The building will be comprised of 36 units of 12,117.33 square feet each.

### **1.20 General Conditions:**

General Conditions include on-site supervision, general labor, safety management, security, clean up and debris removal, temporary utilities, field office, testing, equipment rental, and quality assurance for the shell and core.

## **2.00 DESIGN**

The design of the facility will be completed by registered architects and engineers. The design will include architectural, structural, civil, mechanical, plumbing, fire protection, electrical and landscaping plans. The plans will be in sufficient detail to allow issuance of a building permit for shell building by local authorities.

## **3.00 SITE WORK**

### **3.10 Seawall Repairs**

All required repairs to the existing seawall to maintain the integrity of the wall. Work to be performed per the requirements of the City of Chicago and other governing authorities.

### **3.20 Demolition**

All required demolition of existing underground utilities, roadways, railroad spurs, pavement, etc. All material to be removed from site and legally disposed. Existing concrete to be crushed and used as part of the building pad construction.

### **3.30 Earthwork**

3.30.1 Dynamic compaction is required for the perimeter footings, interior column piers, and foundation of shear walls. The compaction to be performed per the direction and under the guidance of a soils engineer and the City of Chicago.

- 3.30.2 Import of suitable material to provide engineered fill for the construction of a dock high building pad is included. Because the existing site is void of black dirt, import of black dirt for "green" planting areas is included.
- 3.30.3 Stone base for slabs, site concrete, and curbs is included and placed to the specifications of the soils engineer.

### **3.40 Site Utilities**

Provide all necessary tools, material, labor, supervision, management, and all miscellaneous items to provide a completed job of storm sewer, sanitary sewer and water main per the City of Chicago Building Code.

### **3.50 Wolcott R.O.W. (and Blue Island intersection ) Improvements**

- 3.50.1 Provide all necessary labor, material, supervision, management, permits, fees, traffic control, and any miscellaneous items to accomplish a complete job of widening and improving Wolcott Ave, and reconfiguring Blue Island Ave. Per the plans dated prepared by Spaceco Engineering plan L2 dated 9/06/00.
- 3.50.2 The scope of work includes widening of Wolcott Ave. from the N. boundary of the entrance to the new Produce Market site to the intersection of Blue Island Ave. This includes where indicated widening, pavement removal and replacement, curb removal and replacement, modification of sidewalks as noted, overlay of existing pavement with additional bituminous paving, striping for parking, and any repairs to existing infrastructure that may be required to complete the work as shown.
- 3.50.3 The scope also includes a widening and upgrade of the existing railroad crossing on Wolcott Ave. The R.R. crossing shall be widened to the same width as the new configuration on Wolcott. Existing timber crossing shall be removed and the crossing shall be replaced with applicable heavy duty rubber mat type crossing material per the railroad's requirements.
- 3.50.4 A new traffic signal as approved by the Chicago Dept. of Transportation shall be engineered, provided and installed at the intersection of Wolcott and Blue Island. The intersection shall be ground, sealed, and re-striped as shown on the Spaceco drawing.
- 3.50.5 Work shall be done in such a way as to minimize disruption to local traffic and to allow ingress/egress for the Produce Market site.

### **3.60 Site Paving**

#### **3.60.1 Concrete**

Concrete dock paving to be 8" thick 4,000# air entrained concrete reinforced with 6x6x6 gauge steel mesh, on 3" compacted stone. The concrete paving extends 60' from the face of the building on both the truck dock and the customer dock areas.

#### **3.60.2 Bituminous**

Two Hundred Eleven (211), automobile parking stalls to be provided for the entire development. Handicap spaces as required. Light duty paving to be 1 ½" surface course, 1 ½" binder course over 8" stone. Striping and concrete bumpers provided. Handicap signage included.

Heavy duty paving for truck/van drives to be 2" surface course, 2" binder course over 10" stone. Truck pavement to extend a minimum of 130' from the face of the building for truck maneuvering.

### **3.70 Exterior Finishes**

#### **3.70.1 Curbs and Sidewalks**

B:6:12 curbs are provided for the entire site including landscape islands.

Sidewalks to be 5" concrete, broom finished over compacted stone.

#### **3.70.2 Exterior Lighting**

Install 1000 watt wall-mounted metal halide light fixtures to illuminate truck dock and car parking areas, and 1000 watt metal halide light fixtures on poles to illuminate remote parking areas. This lighting to be fed from the building service panel(s).

#### **3.70.3 Fencing**

An 8' high wrought iron fencing is included for the North, West and South property lines of the Market in compliance with the City of Chicago requirements.

### 3.70.4 Landscaping

Landscape design, plant materials, seed, sod and “hardscape” to comply with the requirements of the City of Chicago. Improvements for the Riverwalk area, including plant materials, seating area, sidewalk, and lighting are included.

## 4.00 BUILDING SHELL

### 4.10 Exterior Walls

All elevations of building to receive load bearing insulated precast concrete wall panels. Panels to have an R value equal to 12. Wall panels and accent bands to be stained to The Chicago International Produce Market’s choice of color. The wall separating the users space and the common platform is constructed of load bearing precast concrete. The openings from the common platform to the dock to be 18’ x 12’ (no doors).

Prefinished gravel stop to be installed on all elevations of the building. Standard color to be selected by The Chicago International Produce Market.

### 4.20 Steel Structure:

Steel structure to be a combination of long span steel bar joists or truss girders and tube columns. Roof deck to be 22 gauge, standard ribbed deck, galvanized. Columns to be spaced approximately 42’ – 8” x 42’ – 3” on center, as per floor plan. Bottom of joists to be 26’ clear from top of slab.

Structure has been designed to accommodate a future mezzanine and future structural platform running the length of the building at the covered platform area. See Addendum #1, for individual mezzanine specification, if applicable.

### 4.30 Roof

#### 4.30.1 Roof System

Roof to be a single ply, 45 mil, ballasted, EPDM membrane roofing system, Firestone, Carlisle or equal with isocyanurate insulation (R value equal to 40). This system is to be applied in accordance with manufacturer's specifications, and shall carry a manufacturer's fifteen (15) year warranty and twenty (20) year membrane warranty. Three (3) roof scuttles are provided for the facility. One in each electrical room and in the center of the building (location to be determined).

#### 4.30.2 Storm Piping and Drains

All roof drainage via interior downspouts with insulated horizontal offsets.

#### 4.40 Floor Slabs

4.41 Concrete floor slabs to be 6", 4000 psi concrete with 6x6 wire mesh, trowel finish on 3" compacted stone. Concrete floor to be sawcut in both directions, no greater than 15' on center.

4.42 Provide two coats of lapidolith floor hardener for the facility. The common platform to receive one coat of lapidolith and one coat of silane.

4.43 Provide a 12" wide rodent strip at interior of perimeter, exterior walls.

#### 4.50 Truck Docks and Overhead Doors:

##### 4.51 Truck Loading Doors:

Exterior semi-trailer truck docks to receive seventy-two (72) 9' X 10' manually operated insulated metal overhead doors. Each of 36 units to receive two (2) dock doors.

East wall to the platform to receive thirty-six (36) 14' x 12' manually operated insulated metal overhead doors.

##### 4.52 Truck Dock Accessories:

Seventy-two (72) 20,000# static capacity 6' x 8' mechanical levelers and seventy-two (72) dock seals at the exterior semi-trailer truck docks.

#### 5.00 H.V.A.C. SYSTEM

Heat will be provided as part of the Build Out Addendum.

The gas service to be designed and sized to accommodate user requirements. Each user will have a separate meter.

**6.00 PLUMBING**

Provide under slab sanitary sewer running the length of the building to accommodate future work in the Build Out Addendum.

The domestic water service to be designed and sized to accommodate user requirements. Each user will have a separate meter.

**7.00 FIRE PROTECTION:**

Design and install a dry pipe sprinkler system with dry pipe valves located throughout the facility, including the covered platform in accordance with City of Chicago Code.

The risers to each system to be attached to the exterior fire loop through wall mounted post indicator valves per City of Chicago Code.

**8.00 ELECTRICAL SERVICE, OUTLETS AND LIGHTING:**

**8.10 Electrical Service:**

Install a 277/480 volt, 3 phase, 4 wire electrical service with capacity to separately meter down to 400 amperes. Two 3000 amp main services are provided, one at each end of the building. The services will be enclosed in an electrical room located on the covered platform.

**8.20 Lighting:**

Interior lighting will be provided as part of the Build Out Addendum.

Provide 400 watt metal halide box type, lenses fixtures in the covered platform area. These fixtures will be fed from the building service panel (s).

Site lighting will be per City of Chicago Code. *ONE PER BAY JFC 5/31/01*  
*COO 5/31/01*

**8.30 Fire Alarm**

A \$40,000 allowance is provided for all work associated with the installation of a fire alarm system in compliance with the requirements of the Produce Market and Local Code.

## **9.00 Guard House**

Guard House is 10' x 10' x 13'2" high per 9/20/2000, drawing prepared by Cornerstone Architects (attached).

## **10.00 Entrance Feature/ Sign**

Decorative entrance bollards are provided at the Market Entrance per the 04/10/2000 drawing (attached) prepared by Cornerstone Architects. A monument sign is included as part of the entrance feature. The sign is to be designed in compliance with the City of Chicago requirements. Signage for the individual owners is excluded from the scope of work.

## **11.00 Miscellaneous**

### **Specific Inclusions:**

- Builders' Risk insurance.
- Architectural plans and specifications.
- Surveys and soil borings.
- Conformance with the City of Chicago's Affirmative Action and EEOC Programs.
- Permit expeditors.
- State, Local, Federal Compliances.
- Compliance with Friends of The River Program

### **Exclusions:**

- Field painting of steel or piping.
- In-rack sprinklers, hose stations fire extinguishers.
- Build Out (See Build Out Addendum).
- Structural platform for user equipment.
- Mezzanines (See Build Out Addendum).
- Under slab insulation for low temperature coolers or freezers 34° low.
- Floor drains. (See Build Out Addendum).
- Signage for Individual Users.
- Anything not contained herein.

**12.00**     **DEMISING WALL**

All Units will require one Demising Wall, which will be added to the shell/core price per square foot at an allowance of \$87,307.83.

There are two types of walls from which to select:

**12.10 Masonry:**

City Code requires that the individual user spaces be separated by a one-hour partition. This is achieved by using a full height 12" concrete block wall between the user spaces. The bottom two courses of block are to be filled solid to help protect against forklift impact. Where a cooler butts the demising wall a 3" insulated liner panel will be applied to the wall to maintain temperature and avoid cold transmission. Where the demising wall is exposed to a "Sales" or "Staging Area", the concrete block wall will be painted using an epoxy paint to match the adjacent insulated panel color.

**12.20 Insulated Panel:**

City Code requires that the user spaces be separated by a one-hour partition. This is achieved by using a full height insulated sandwich panel. The panel will have an embossed 0.020" white painted galvanized steel with a "Coinjock B" fiber insulation. The "Coinjock B" insulation is made from volcanic rock and recycled steel slag spun into thin individual fibers. This system has been UL tested for fire resistance. At the base of the wall will be a 6" thick, 24" high, concrete curb with a sloped top, to help protect against impact from forklifts. This panel will be used as a cooler wall where needed, avoiding the need for a liner panel.

*all members will be using insulated  
Panel J.C 5/31/01  
CGD 5/31/01*

13.00 ALTERNATES FOR SHELL/CORE.

13.10 Trailer/Additional Parking Paving Improvements:

Add heavy duty pavement and a 10' wide, 8" thick dolly strip for trailer storage. Provide an additional 106 car parking spaces along East property line. Six (6) single head, 1000 watt metal halide light poles are included to illuminate this area. Underground for storm water, concrete curbs, and earthwork.

(This alternate was accepted during the January 10, 2001, LLC meeting.)

Add: \$ 345,815.00 or \$0.79 psf

*Contract price is inclusive of this alternate. (\$13,351,931)*

13.20 Alternate Floor Hardner:

*JL 5/31/01  
C/O 5/31/01*

Provide a shake on floor hardener (3/4 #/sf) in lieu of lapidolith. Hardener to be a "natural" color as manufactured by Harcol, Master Builders, or equal.

Add: \$ 453,713.97 or \$1.04 psf

*Contract Price does not include this alternate.*

*JL 5/31/01  
5/31/01*

## CERTIFICATE OF LIMITED WARRANTY

(Common Elements)

FCL BUILDERS, INC., an Illinois corporation ("Contractor"), warrants ("Contractor Warranties") the common elements at the development commonly known as Chicago International Produce Market, Chicago, Illinois (i) against "latent defects" arising out of faulty workmanship or materials (and not as a result of the Association's or Purchaser's use thereof); (ii) that the materials and equipment furnished shall be of good quality and new unless otherwise required or permitted by the Space Plan, Buildout Addendum or any Change Order; and (iii) that the work performed will be free from defects not inherent in the quality required or permitted. Work not conforming to the foregoing requirements, including substitutions not properly approved and authorized, may be considered defective. Contractor's Warranty excludes remedy for damage or defects caused by abuse, modifications not caused by Contractor, improper or insufficient maintenance, improper operation and normal wear and tear and normal usage. Contractor's sole obligation under this Certificate of Limited Warranty is limited to the repair or replacement, at Contractor's option, of the defect; provided, however, that if Contractor fails to repair or replace a defect required to be repaired or replaced under the terms of this Warranty after receipt of notice from the Association during the Warranty Period (as defined below) and a reasonable opportunity to cure, the Association shall be entitled to repair or replace such defect and bring an action against Contractor for the cost of such repair or replacement during the Warranty Period. In the event of a situation which is likely to cause imminent bodily injury or property damage, Purchaser may repair or replace such defect without advance notice to Contractor. All terms used herein shall have the meaning ascribed to them in that certain Condominium Purchase Agreement between CIPM, L.L.C., an Illinois limited liability company and FCL BUILDERS, INC dated January 24, 2001.

Within thirteen (13) months of the date of Closing of the Unit which, together with all other units that have theretofore closed, represents sixty-seven percent (67%) of the units in the Project, as determined by square footage (with regard to the Shell and Core issues), and within one (1) year after the date of Substantial Completion of the Buildout Work (with regard to all issues other than Shell and Core) (as applicable, the "Correction Period") any breach of Contractor Warranties is discovered, Contractor shall correct or cause its general contractor to correct, the defect promptly after receiving written notice of the breach from the Association, unless the condition was not caused by Contractor or anyone acting by or through Contractor, is not covered by this Certificate of Limited Warranty or the Association has previously given a written acceptance of the specific condition. The Association must give notice within a reasonable time after discovery of the condition. During the Correction Period, if the Association fails to notify Contractor and give Contractor an opportunity to make the correction, the Association waives the right to require correction and to make a claim for breach of warranty. In the event of a situation which is likely to cause imminent bodily injury or property damage, Purchaser may repair or replace such defect without advance notice to Contractor.

Notwithstanding any other term or condition contained in this Certificate of Limited Warranty, including, without limitation, the expiration of the Correction Period, the Contract or as may be provided by law, the Association must bring an action against Contractor for breach of Contractor Warranties within two (2) years from the time that the Association knew or should have known of the breach of Contractor Warranties, but in no event later than five (5) years from the delivery of this Certificate of Limited Warranty (the "Warranty Period"). The failure to bring an action against Contractor within said time period shall result in the Association's waiver of its right to make a claim for the breach of Contractor Warranties.

THIS LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF CONTRACTOR, EXCEPT AS EXPRESSLY SET FORTH IN SECTIONS 10 AND 17 OF THE CONTACT, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE), AND INURES ONLY TO THE BENEFIT OF THE CHICAGO INTERNATIONAL PRODUCE MARKET CONDOMINIUM ASSOCIATION ("ASSOCIATION") AND NOT TO ANY UNIT OWNER INDIVIDUALLY.

AS TO ANY PERSONAL PROPERTY, HEATING, VENTILATING AND COOLING EQUIPMENT, AND AS TO ANY CONSUMER PRODUCT (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL, STATE OR LOCAL LAWS, OR THEIR IMPLEMENTING REGULATIONS) WHICH MAY BE PART OF OR LOCATED IN THE COMMON ELEMENTS, CONTRACTOR NEITHER MAKES NOR ADOPTS AND SPECIFICALLY EXCLUDES, EXCEPT AS EXPRESSLY SET FORTH IN SECTIONS 10 AND 17 OF THE CONTRACT, ANY AND ALL EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

This Limited Warranty is subject to the following terms, conditions and exclusions, all of which are a part hereof.

1. **WARRANTY EXCLUSIONS.** The following exclusions and limitations apply to Contractor's limited warranty obligations:

- (a) This Limited Warranty is limited to the Common Elements and does not cover the Unit.
- (b) Nail or screw pops or cracks in the walls and ceilings do not result from faulty workmanship or defective materials but are the result of natural shrinkage and drying of materials, normal settlement, or other normal movement and are not covered by this Limited Warranty.
- (c) Warranty service is not available for and does not cover correction of the results of ordinary wear and tear, or damage due to misuse or neglect, negligence or failure to provide proper maintenance. This Limited Warranty does not extend to any item which has been modified or repaired by the Association or any Unit Owner, or any items which are installed or constructed pursuant to a separate contract or agreement between the Association or any Unit Owner and any party other than Contractor.
- (d) This Limited Warranty does not cover the Common Elements with respect to which Contractor has not received a contractor's or subcontractor's warranty, or with respect to which the applicable contractor's or subcontractor's warranty has expired, or any defect not covered by the applicable contractor's or subcontractor's warranty.
- (e) This Limited Warranty specifically excludes any and all secondary, incidental or consequential damages caused by any defect or breach of this Limited Warranty.
- (f) Cracks in concrete foundations, walks and drives and in mortar due to characteristics of expanding and contracting of concrete, the use of salt, improper clearing of snow and ice or setting of the soil on which they are laid.
- (g) Floor squeaks and gaps due to expansion, contraction or settling.
- (h) Brick discoloration and non-uniformity of appearance or natural imperfections of brick, stone or cleaning of rock face brick. Fading, variations in grain and color or discoloration of stained wood.
- (i) Insect damage, rodent damage, pest damage, animal damage.
- (j) Frozen pipes or sillcocks caused by failure to close vents in freezing weather or by failure to drain sillcocks and close shut-off valves (if sillcock is not freeze-proof type) or provide proper insulation and heat.

2. **MANUFACTURERS' WARRANTIES.** Personal property, furnishings, fixtures and equipment located in and constituting part of the Common Elements shall be supplied with manufacturers' instructions and warranties in accordance with Section 17 of the Contract. It is recommended that the manufacturers' instruction pamphlets be read and followed. Contractor is not a warrantor under, and does not adopt, any such manufacturers' warranties. In the event of defects in such products, the Association should contact the manufacturer directly. Contractor is not responsible for the performance of any manufacturer under any such manufacturer's warranty.

3. **OTHER TERMS.** No steps taken by Contractor to correct defects shall act to extend the scope or duration of this Limited Warranty beyond the Correction Period or Warranty Period, as applicable. No representative of Contractor has the authority to make verbal agreements with respect thereto. All items for correction must be in written form. Contractor shall not be obligated to remedy any defects where otherwise required pursuant to this Limited Warranty unless and until the Association notifies Contractor in writing of the defect and then only if such notification is made prior to the expiration of the Correction Period. This Limited Warranty shall be null and void as to any particular defect if the Association or any Unit Owner performs repairs to the Common Elements with respect to such defect without receiving the prior written consent of Contractor. This Limited Warranty is not assignable and any attempted assignment shall render it null and void.

4. **ASSOCIATION.** Contractor's obligations under this Limited Warranty are for the sole benefit of the Association and may be enforced or modified by the Association only and not by any Unit Owners individually or collectively.

5. **NOTICES.** Any notices hereunder shall be personally delivered or sent by certified U.S. mail, postage prepaid, return receipt requested, address as follows:

If to Contractor, then to: FCL Builders, Inc.  
1150 Spring Lake Drive  
Itasca, IL 60143  
ATTN: Carmen G. Dodaro, Executive Vice President

If to Association, then to:

Chicago International Produce Market Condominium Association

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Fax: ( ) -  
Attention: President

Any notice delivered as aforesaid shall be deemed received upon personal delivery and any notice mailed as aforesaid shall be deemed received three (3) business days after deposit in the United States mail. Notice of changes of address for receipt of notices shall be sent in the manner set forth in this Paragraph 5.

6. **ARCHITECT'S DECISION.** In the event of any dispute arising hereunder as to the existence of any defect, which dispute is not resolved by Contractor and Association, such dispute shall be submitted to and resolved by the architectural firm of Cornerstone Architects, Ltd. ("Architect"), whose decision shall be final and binding upon the parties.

Dated this 31 day of MAY, 2001.

**FCL BUILDERS, INC., an Illinois corporation**

By: *Carmen G. DeVano*  
Name: CARMEN G. DEVANO  
Title: EXECUTIVE VICE PRESIDENT



## CONSTRUCTION CONTRACT

Between: CIPM, L.L.C. (hereinafter referred to as the "Owner"), whose address is:  
1808 Swift Road  
Oak Brook, Illinois 60523  
Attention: Mr. Fred Reynolds

and: FCL BUILDERS, INC. (hereinafter referred to as the "Contractor"), whose address is:  
1150 Spring Lake Drive  
Itasca, Illinois 60143  
Attention: Mr. Michael Boro

Date of Contract: May 22, 2001

Premises: real estate located at South Damen and Blue Island, Chicago, Illinois (hereinafter referred to as the "Premises")

Contract Sum: THREE MILLION THREE HUNDRED THIRTY TWO THOUSAND NINE HUNDRED SIX AND NO/00 DOLLARS (\$3,332,906.00) (hereinafter referred to as the "Contract Sum")

Architect: CORNERSTONE ARCHITECTS LTD. (hereinafter referred to as "Architect"), whose address is:  
1152 Spring Lake Drive  
Itasca, Illinois 60143

In consideration of the mutual covenants and conditions hereinafter set forth and the foregoing definitions which are by this reference incorporated herein, the parties hereby agree as follows:

### ARTICLE I The Work

1.1. Performance of the Work. Contractor, pursuant to the provisions hereof, shall perform all the work (hereinafter referred to as the "Work") necessary to fully and completely construct the improvements which are generally intended to consist of the shell and core of a building and common areas related thereto to be commonly known as the Chicago International Produce Market (all such improvements are hereinafter referred to as the "Project") as described and specified in or as logically inferable from the plans and specifications (hereinafter referred to as the "Plans") identified on Exhibit "B" attached hereto and by this reference incorporated herein. The Project is to be located on the real estate described in Exhibit "A" comprising the Premises at South Damen and Blue Island, Chicago, Illinois. Contractor shall perform all the Work and furnish all the materials, equipment, labor, services, scaffolds, hoisting and transportation for same, together with any tools and machinery and all other protection necessary to perform and protect the Work. Contractor acknowledges that it has reviewed and approved the Plans.

1.2. Contractor Acknowledgments.

1.2.1. Contractor acknowledges that it has visited the Premises and is familiar with all of the existing conditions that may affect the Work and agrees that: (i) it has carefully examined and reviewed and understands the Plans; (ii) it has carefully examined and understands the nature, location and character of the Work and the Premises, including, without limitation, the existing improvements, the surface condition of the Premises

and all structures and obstructions thereon, both natural and man-made, and all surface water conditions of the Premises and the surrounding area, not including, however, any subsurface conditions of the Premises not apparent from Contractor's examination of the Premises and from tests submitted to Contractor; (iii) it has carefully examined and understands the nature, location and character of the general area in which the Premises is located, including, without limitation, its climatic conditions, available labor supply and labor costs and available equipment supply and equipment costs; (iv) it has carefully examined and understands the quality and quantity of all materials, supplies, tools, equipment, labor and professional services necessary to complete the Work within the cost required by the Contract Documents (as hereinafter defined); (v) it has the ability to complete the Work on or before the Completion Date (as hereinafter defined) at an aggregate cost not to exceed the Contract Sum; (vi) it has familiarized itself with conditions affecting the difficulty of the Work; (vii) it has entered into this contract based on its own examination, investigation and evaluation and not in reliance upon any opinions or representations of Owner or Architect or any of their respective officers, agents or employees; and (viii) it shall comply with any restrictions contained in any No Further Remediation Letters issued with respect to the Premises.

1.2.2. Contractor hereby represents and warrants to Owner that Contractor is a business entity which is experienced and skilled in the construction of projects of the type described in the Plans, is licensed to engage in the general construction business in the jurisdiction where the Premises is located and is in compliance with all applicable governmental laws and regulations precedent to performance of the Work.

1.2.3. Contractor agrees to furnish efficient business administration, coordination, supervision and superintendence of the Work and to furnish at all times a competent and adequate administrative and supervisory staff and an adequate supply of workmen and materials and to perform the Work in the best and most sound way and in the most expeditious and economical manner consistent with the interests of Owner. Contractor agrees from time to time at Owner's request to furnish estimates and technical advice as to construction methods and equipment to Owner and Architect. Contractor shall promptly advise Owner of any occurrence, event, fact, or other matter that has had, will have, or might reasonably be predicted to have a material adverse effect upon the financial condition of Contractor.

1.2.4. Contractor shall carefully study and compare the Plans, this Construction Contract and all schedules, data, documentation and instructions relating to the Work (all of the foregoing being hereinafter collectively referred to as the "Contract Documents") and shall, as soon as observed, report to Owner any error, inconsistency, duplication or omission it discovers. In the event of any conflict or inconsistency between the documents and data comprising the Contract Documents, this Construction Contract shall control.

1.2.5. Contractor agrees to cooperate with Owner and all persons or entities retained by Owner to provide consultation and advice, and to coordinate the Work with the work of such parties and third party contractors, if any, performing interior improvements in the Project so that the Work and such interior improvements shall be completed in the most efficient and expeditious manner.

1.2.6. Contractor shall be responsible and have liability for all of the architect's customary responsibilities for design. Contractor shall perform no portion of the Work without strict adherence to the Contract Documents or, where required, final shop drawings, product data or samples for such portion of the Work.

1.2.7. Contractor warrants that its financial condition is sound and that Contractor shall be capable of obtaining a labor and material payment and performance bond. Contractor shall be deemed to be in default of its obligations hereunder should a material adverse change in its financial condition cause any revocation of any such bond or result in the failure of Contractor to obtain any such bond.

1.2.8. Contractor acknowledges its familiarity with the present operation of the Premises and agrees that Owner's operation and use of the Premises shall not be unreasonably disrupted by virtue of the Work and

Contractor shall take such measures to assure the continuous operation of the Premises and the ongoing operation thereof by Owner.

1.2.9. Contractor shall be responsible to Owner for the acts and omissions of all its employees, all subcontractors and their agents and employees, and all other persons performing any of the Work under any contract or agreement with Contractor or any subcontractor.

1.2.10. All Work shall be performed under the direction of a competent supervisor on location employed by Contractor.

1.3. Commencement and Completion.

1.3.1. Time is of the essence of Contractor's performance and it shall commence the Work within three (3) days of issuance of such building permits required to commence the Work (such date is hereinafter referred to as the "Commencement Date"). Contractor shall commence installation of precast wall panels or structural steel ("Vertical Construction") on or before January 24, 2002. Contractor shall cause Substantial Completion (as hereinafter defined) of the Work on or before January 24, 2003 ("Completion Date"). The term "Substantial Completion" shall mean that construction of the work is sufficiently complete as evidenced by delivery to Owner of either (i) a temporary or permanent certificate of completion from the City of Chicago ("City"); or (ii) a Certificate from Architect, certifying that the work has been reviewed and found, to Architect's best knowledge, information, and belief in accordance with professional standards, to be substantially complete, subject only to punch list items. Contractor shall notify Owner thirty-five (35) days before the approximate date of Substantial Completion.

Except as specifically provided to the contrary in Paragraph 1.3.2 below, the Completion Date shall not be extended nor shall the Contract Sum be increased, and Contractor assumes all risks, hazards and conditions encountered in the performance of the Work, including, but not limited to, climatic conditions, delays in delivery of material and equipment, strikes, labor disputes (whether directed against Contractor and/or subcontractors) and embargoes, and no increase in the Contract Sum or extension of the Completion Date will be allowed on account thereof.

1.3.2. Provided that Contractor gives Owner written notice within five (5) days after the commencement and elects, by giving Owner an additional written notice within five (5) days after the conclusion of such delay, the Completion Date shall be extended as a result of economic scarcity of labor or materials, strikes, lock-outs, inclement weather, casualty, acts of God, theft, vandalism, regulations or governmental policies or acts (including delays in obtaining building permits and NFR Letters), or any other interruption or delay beyond the reasonable control of and without fault on the part of Contractor (collectively "Force Majeure Delays") provided, however, notwithstanding any of the foregoing, Contractor shall cause Substantial Completion to occur no later than January 24, 2005. No extension of the Completion Date shall be granted if, in the opinion of Owner, the delay is not of a nature so as to entail the necessity of additional time to complete the Work. Each notice required to be given within five (5) days of the commencement of any delay shall contain the probable duration and a reasonable explanation and justification of the delay occasioned thereby. Any extension of the Completion Date shall be for a period of time equal to the additional time required to complete the Work caused by such delay; provided, however, in the event that such causes occur concurrently, the actual time of the delay shall be the time elapsed while such causes exist.

1.4. Materials. All materials and equipment supplied as part of the Work shall be new, and all workmanship shall be of the best quality in strict accordance with this Construction Contract. Contractor shall make no substitution of materials unless approved in writing by Owner. All work performed by Contractor shall be under the direction of a competent supervisor on the Premises employed by Contractor. Contractor shall, if required, furnish satisfactory evidence as to kind and quality of all materials and equipment. All labor shall be performed by workmen skilled in their respective trades, and workmanship shall be of good quality so that first class work in

accordance with the standards of construction set forth in the Contract Documents will result. Any work, materials or equipment which does not conform to these requirements or the standards set forth in the Contract Documents may be disapproved by Owner, in which case they shall be removed and replaced by Contractor.

1.5. Cleanup.

1.5.1. Contractor shall clean up the Premises in a thorough and workmanlike manner to the reasonable satisfaction of Owner wherever necessary during the progress of work and upon completion and when reasonably requested by Owner.

1.5.2. The cleaning upon Completion of the Work shall be a thorough final cleaning throughout, including washing or cleaning of all surfaces on which dirt or dust has collected. The glass and curtain wall shall be washed and cleaned on both sides by a window cleaning subcontractor specializing in such work. Contractor shall, at Owner's request, delay such washing of exterior surfaces to such time as requested by Owner. All equipment shall be new, in an undamaged, bright clean condition. Recleaning will not be required after the Work has been inspected and accepted unless later operations of Contractor, in the reasonable opinion of Owner, make re-cleaning of certain portions necessary.

1.5.3. The Premises shall be maintained in a neat and orderly condition and kept free from accumulation of waste materials and rubbish during the entire construction period. All crates, cartons and other flammable waste materials or trash shall be removed from the work areas at the end of each working day. Contractor shall, and shall require all subcontractors to, clean and maintain its portion of the Work as required and as directed by Owner. If the Work and Premises are not maintained properly, Owner may have any accumulations of waste materials or trash removed and charge the cost to Contractor.

1.5.4. Electrical closets, pipe and duct shafts, chases, furred spaces and similar spaces which are generally unfinished shall be cleaned by Contractor and left free from rubbish, loose plaster, mortar drippings, extraneous construction materials, dirt and dust before preliminary inspection of the Premises.

1.5.5. All areas of the Work in which painting and finishing work are to be performed shall be thoroughly cleaned throughout just prior to the start of such work and those areas shall be maintained in satisfactory condition for painting and finishing. This cleaning shall include the removal of trash and rubbish from these areas; broom cleaning of floors; the removal of any plaster, mortar, dust and other extraneous materials from all finished surfaces, including but not limited to, all exposed structural steel, miscellaneous metal, woodwork, plaster, masonry, concrete, mechanical and electrical equipment, piping, duct work, conduit, and also all surfaces visible after all permanent fixtures, induction unit covers, convector covers, covers for finned tube radiation, grilles, registers, and other such fixtures or devices are in place.

1.5.6. As soon as practical before Completion of the Work, Contractor shall dismantle all temporary facilities and remove from the Premises all construction and installation equipment, fences, scaffolding, surplus materials and rubbish of every kind and supplies and the like belonging to Contractor or subcontractors.

1.6. Safety. Contractor shall take all necessary precautions to keep the Premises free of safety hazards, and shall protect all materials, equipment and completed and partially completed work from loss and damage, including theft and damage by weather and, if necessary, shall provide suitable housing therefor, and shall correct any damage or disfigurement to contiguous work or property resulting from the Work. Contractor agrees that the prevention of accidents to workers engaged upon or in the vicinity of the Work is its responsibility. Contractor shall establish and implement safety measures, policies and standards conforming to those required or recommended by governmental or quasi-governmental authorities having jurisdiction. Contractor shall comply with the reasonable recommendations of insurance companies having an interest in the Work. Contractor shall issue its proposed safety

program to Owner for its approval and receive written approval from Owner prior to being provided access to the Premises.

1.7. Compliance With Laws.

1.7.1. Contractor agrees to comply with all federal and state laws, codes and regulations and all municipal laws, building codes, ordinances and regulations in force at the commencement of the Work, applicable to the Work to be performed under this Construction Contract, and to obtain at its own expense all licenses and permits necessary for the performance of the Work. Contractor shall also comply with the current applicable requirements of the American Insurance Association and other codes described in the Plans, or which are applicable to the performance of the Work. Contractor shall promptly, at its sole cost and expense, correct any violations of such laws, codes, regulations, ordinances and orders committed by Contractor, its subcontractors agents, servants and employees. Contractor shall pay all taxes, assessments and premiums under the Federal Social Security Act, any applicable Unemployment Insurance, Workmen's Compensation Act, Sales Tax, Use Tax, Personal Property Taxes or other applicable taxes or assessments now or hereafter in effect and payable by reason of or in connection with any part of the Work.

1.7.2. Each contractor and subcontractor shall comply with the redevelopment plan approved by the City and all federal, state and local codes, statutes, laws, ordinances, rules and regulations and to obtain at its own expense all licenses and permits necessary for the performance of the work.

1.7.3. Each contractor and subcontractor shall comply with all enterprise zone sales tax abatement programs and take all steps requested by Owner to maximize such opportunities.

1.7.4. Contractor shall obtain the building permit or permits necessary for the proper execution and completion of the Work to be performed by it.

1.7.5. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance or safety of performance of the Work and shall pay any costs or fees incurred in such compliance and any fines or penalties imposed for violation thereof and any costs or fees incurred by Owner due to any such violation.

1.7.6. It is not the responsibility of Contractor to make certain that the Contract Documents are in accordance with applicable laws, statutes, building codes, regulations or requirements of the American Insurance Association. If Contractor observes that any of the Contract Documents are at variance therewith in any respect, it shall promptly notify Owner and the Architect in writing, and any necessary changes shall be accomplished by appropriate Change Order; provided, however, if Contractor or any subcontractor performs any Work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to Owner and the Architect, it shall assume full responsibility therefor and shall bear all costs and expenses attributable thereto and for the correction thereof.

1.8. Title. Title to all work completed or in the course of construction or installation, all equipment, construction materials, tools and supplies, the cost of which is chargeable to the Work shall pass to Owner simultaneously with passage of title from the vendors thereof to Contractor.

1.9. Liens. Contractor shall keep the Premises free and clear from all liens and charges arising out of the Work, including materialmen's, laborers' and mechanics' liens, and shall give Owner prompt written notice of actual and prospective claims of any such liens or charges known to Contractor.

1.10. Warranty.

1.10.1. Contractor warrants to Owner that all materials, equipment and machinery furnished under the Contract Documents will be new unless otherwise specified and that all materials, equipment, machinery and Work will be of good quality, free from faults and defects and in conformance with the Contract Documents. If required by Architect or Owner, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

1.10.2. Contractor shall promptly correct all Work rejected by Architect or Owner as defective or as failing to conform to the Contract Documents whether observed or detected before or after Completion of the Work but within the time set forth in Section 1.10.3 below, and whether or not fabricated, installed or completed. Contractor shall bear all cost of correcting such rejected Work, including but not limited to damages to property not covered by Owner's insurance, and the fees or costs charged by any consultants of Owner and the cost of Architect's additional services thereby made necessary.

1.10.3. In addition to any guarantee or warranty contained in the Contract Documents or provided at law, Contractor guarantees that all Work shall be free from defects in workmanship and material, that Work shall be constructed and installed in accordance with the Contract Documents, and that all machinery and apparatus incorporated in the Work meets the tests, requirements and capacities prescribed in the Contract Documents. This guarantee applies to all defects and to all other matters occurring within a period of one (1) year from Completion of the Work or for four (4) full seasons of operation under full load conditions, whichever is later provided, however, that this guarantee shall apply to all defects and other matters occurring with respect to the roof for a period of fifteen (15) years and with respect to the plumbing (underground sanitary and storm sewers) for a period of two (2) years. Contractor shall also provide Owner with a Certificate of Limited Warranty in the form of Exhibit "C" attached hereto and made a part hereof. If any manufacturer or supplier of equipment or material furnishes a guarantee or warranty for a period in excess of the above stated period, Contractor shall assign such warranty to Contractor at the time the Work is Substantially Complete. In the event that any work is performed to correct, repair or remedy any portion of the work pursuant to any guarantee provided under the Contract Documents or otherwise available to Owner, the guarantee periods specified above or elsewhere in the Contract Documents shall begin anew from the date of Owner's acceptance of such work. Contractor further agrees that each Subcontract shall contain a guarantee of the work performed thereunder in the same form as the guarantee required of Contractor. Included in said guarantee shall be the statement that it shall be enforceable directly by Owner, if Owner so elects, or by any assignee of Owner. The guarantee of any subcontractor shall not relieve Contractor of its guarantee as set forth above and Owner may look to Contractor directly and in the first instance to correct any defects in the Work.

If at any time during the aforescribed guaranty period Owner shall give notice of a breach of guaranty obligation to Contractor or any applicable subcontractor Contractor or subcontractor or both shall, at no cost to Owner, cure such breach and the repair or replacement of any portion of the Work damaged or adversely affected by the curing of such breach. All such Work shall be performed by trades and persons reasonably acceptable to Owner with a minimum of inconvenience to Owner and at times least disruptive to the operation of the Project.

All defective or non-conforming portions of the Work shall be removed from the Premises if being replaced. The Work shall be corrected to comply with the Contract Documents without increase in the Contract Sum. Contractor shall bear the cost of making good all work destroyed or damaged by such removal or correction.

If Contractor does not commence to correct and/or remove such defective or non-conforming Work within ten (10) days after written notice from Architect or Owner, or if Contractor does not thereafter diligently prosecute such correction or removal, Owner may correct and/or remove same and may store any materials or equipment in connection therewith at the expense of Contractor. Contractor shall pay Owner all such costs including

compensation for additional architectural services, together with interest thereon from the date such sums are due to Owner at the Prime Rate of interest set forth in the Wall Street Journal and any costs incurred by Owner, including reasonable fees of counsel, to collect same.

1.10.4. The foregoing guarantees, warranties and remedies are not a limitation and shall not deprive Owner of any action, right or remedy otherwise available to it for breach of any of the provisions of the Contract Documents or for defects in the Work. The periods referred to above or such longer time as may be specified elsewhere in the Contract Documents shall not be construed as a limitation on the time in which Owner may pursue such other action, right or remedy.

#### 1.11. Quality Control.

1.11.1. Contractor shall at all times provide sufficient, safe and proper facilities for the inspection of the Work by Architect, Owner and the party loaning funds to Owner in connection with the Work (hereinafter referred to as the "Lender") and their respective representatives. Contractor shall, within twenty-four (24) hours after receiving written notice from Architect or Owner, proceed to take down and remove all portions of the Work which Architect, Owner or the applicable governmental authority shall have condemned as unsound, improper or in any way failing to conform hereto and shall replace the same with proper and satisfactory Work and make good all work damaged or destroyed thereby. The failure to discover or notify Contractor of defective or nonconforming Work at the time the Work, or any portion thereof is performed or completed by Architect or any other party inspecting the Work shall not relieve Contractor of full responsibility for replacement of the defective or nonconforming Work and all damages resulting therefrom. Contractor agrees and understands that neither Owner nor Architect will provide continuous or exhaustive inspection of Contractor's Work and that Contractor is fully responsible for the materials, procedures, methods and techniques utilized and for providing completed Work. Neither failure to inspect the Work nor, upon inspection, failure to uncover defects in the Work shall be deemed acceptance of the Work. If Owner elects to accept defective or nonconforming Work, Owner may require an appropriate adjustment in the Contract Sum. No inspection, testing or other administrative activity performed by or for the benefit of Architect or Owner shall relieve Contractor from the obligation to perform the Work in strict accordance with Contract Documents.

1.11.2. Contractor shall establish a quality control program reasonably satisfactory to Owner and Architect to include sufficient inspection and testing of all portions of the Work, coordinated with the proposed construction sequence, to insure conformance to the Contract Documents with respect to materials, workmanship, construction, finish, functional performance and identification. This quality control program shall encompass all aspects of the Work and shall include all specific tests, surveillance and procedures as required by, or to assure compliance with, the Contract Documents and applicable laws, statutes, ordinances and regulations. No portion of the Work shall be commenced until Owner approves such quality control program.

1.11.3. Contractor shall furnish reports of all inspections and daily job reports to Architect and Owner and shall in a timely manner distribute copies of all inspection reports, certificates of inspection, testing or approval directly to Architect, Owner and such other parties as Owner requests. Contractor shall give Architect and Owner timely notice of all tests and inspections, so that Architect and Owner may observe such inspection, testing or approval. Contractor shall be responsible for and bear all costs of such inspections, tests or approvals required by the Contract Documents or any public authority. Owner shall bear all costs of inspections, tests or approvals not required by the Contract Documents or any public authority, but which are requested by Owner; provided, however, that if any such inspection or testing reveals a failure of the Work to comply with the requirements of the Contract Documents or any laws, ordinances, regulations or orders of any public authority having jurisdiction over the Work and/or the Premises, then Contractor shall bear all costs thereof, including compensation for Architect's additional services made necessary by such failure. Required certificates of inspection, testing or approval shall be secured by Contractor and promptly delivered by it to Architect and Owner.

- 2.3.3.2. formally prepared "as-built" drawings, records and related data including all field notes of all the Work. Such drawings are to be on "mylar" and not "sepia" reproducible drawings;
- 2.3.3.3. all operating manuals, parts lists, Contractor's lists, and repair source lists;
- 2.3.3.4. all guarantees and warranties to which Owner is entitled hereunder;
- 2.3.3.5. satisfactory proof that all liens and claims relating to the Work have been paid and released;
- 2.3.3.6. acknowledgment of prior payments and waivers of lien from all subcontractors and Contractor;
- 2.3.3.7. Owner's and Architect's certificate certifying Completion of the Work;
- 2.3.3.8. written statement from the Architect and Owner that all practical orientation and physical operating instructions for all materials, systems and equipment have been satisfactorily completed;
- 2.3.3.9. satisfactory report of an outside professional agency that all mechanical systems have been and are properly balanced;
- 2.3.3.10. copies of all tests required under Section 1.11 hereof;
- 2.3.3.11. schedule of values for various Project component systems and equipment as required by Owner for purposes of obtaining investment tax credit and accelerated depreciation;
- 2.3.3.12. four (4) full copies in paper plan version 24" X 36", four (4) full copies in 16" X 22" and one (1) electronic copy of formally prepared "as-built" drawings, records and related data including all field notes of all the work;
- 2.3.3.13. all practical orientation and physical operating instructions for all materials, systems and equipment have been satisfactorily completed.

2.3.4. Neither the final payment nor the remaining reserve shall become due until Contractor submits to Owner (i) consent of any surety to final Payment; and (ii) if required by Owner, other data establishing payment or satisfaction of all such obligations, such as receipts, releases and waivers of liens arising out of the Contract, to the extent and in such form as may be designated by Owner. If any subcontractor refuses to furnish a release or waiver required by Owner, Contractor may furnish a bond satisfactory to Owner to indemnify it against any such lien. If any such lien remains unsatisfied after all payments are made, Contractor shall refund to Owner all monies that the latter may be compelled to pay in discharging such lien, including all costs, expenses and reasonable attorneys' fees.

2.3.5. Completion of any part of the Work shall be deemed to occur only after final inspection by Architect and Owner, as set forth above, and when all requirements of the Contract Documents have been completed. Upon Completion of such Work and issuance of the certificates, permits and other items described above, Owner may take over the Work for occupancy and use thereafter.

2.4. Additional Compensation. Contractor shall not be entitled to receive any extra compensation of any kind whatsoever, for extra or additional work of any kind, unless the same was ordered by Owner in writing, signed by the authorized representative of Owner. Contractor specifically agrees that it will make no claim that it

Owner on or before the tenth (10th) day of each calendar month. Such monthly schedules shall with detail satisfactory to Owner: (i) depict the current progress of the Work; (ii) indicate methods of overcoming any past delay; (iii) indicate all past and future cash flow requirements; and (iv) contain a manpower projection which shall project the total number of laborers and material projected to be necessary for diligent prosecution of the Work for each future month until Completion of the Work.

1.16. Shop Drawings and Samples.

1.16.1. Contractor shall review, approve and submit to Architect and Owner with reasonable promptness and in orderly sequence, consistent with the Construction Progress Schedule (as defined above), shop drawings and samples for all materials and equipment required by the Contract Documents. Shop drawings and samples shall be properly identified as specified or as Owner or Architect may require. At the time of submission, Contractor shall inform Architect and Owner in writing of any deviation in the shop drawings or samples from the requirements of the Contract Documents and any deficiency thereof relating to a defect in or incomplete design discovered by Contractor. Architect shall review any recommended completion of or correction to the Plans.

1.16.2. Contractor shall make any change or corrections required by Owner or Architect and shall resubmit the required number of corrected copies of shop drawings or new samples, until acceptable. If Contractor determines any change or correction required by Owner or Architect shall result in an increase in the Contract Sum or extension of the applicable Completion Date, it shall notify Owner and Architect of the need for such change with ten (10) days of request for such change, otherwise such changes or corrections shall be accomplished without any increase in the Contract Sum or extension of the applicable Completion Date. Contractor shall direct specific attention in writing or on resubmitted Shop Drawings to revisions other than the corrections requested by Architect on previous submissions.

1.16.3. Contractor is to have final choice in all items originally specified in multiple choice or in the manner of "or other equal thereto". No such choice of Contractor shall have any cost consequence to Owner. All costs to contiguous and adjacent portions of the Work occasioned by such choice or by approval of substitutions offered or requested by Contractor are to be borne by Contractor. When two (2) or more products are specified for an item of work, any one (1) thereof shall be deemed acceptable. When only one (1) product is specified and either the term "or equal" is used in connection with the product or no product is specified, then Contractor may offer for Owner's review a substitute product which will completely accomplish the purpose of the Contract Documents. Contractor shall offer for Owner's review a substitute product which will completely accomplish the purpose of the Contract Documents in the event that the specified product is not available or will not produce the desired result. Requests for substitution of products, materials or processes other than those specified will be deemed a warranty by Contractor submitting same, and shall be accompanied by evidence to support such warranty, that the proposed substitution: (1) is equal in quality and serviceability to the specified item; (2) will not entail changes in detail and construction of related work; and (3) will not provide a cost disadvantage to Owner. The aforesaid warranty shall not be deemed to warrant the required design or artistic effect of such substitution. Contractor will furnish with its request such drawings, specifications, samples, performance data and other information as may be required of it to assist Owner in determining whether the proposed substitution is acceptable. The burden of proof of the fact above stated shall be upon Contractor; however, the final decision shall be that of Owner, which decision shall be consistent with the intent of the Contract Documents.

1.16.4. No portion of the Work requiring submission of a shop drawing or sample shall be commenced until the submission has been reviewed by Architect and Owner and submitted to Architect and Owner. All such portions of the Work shall be in accordance with approved shop drawings or samples. Contractor shall maintain at the Premises a complete and up-to-date file and status schedule of all approved and unapproved shop drawings and samples.

1.16.5. Contractor shall maintain at the Premises for Owner and Architect one (1) copy of all drawings, specifications, addenda, approved shop drawings, Change Orders and other modifications, in good order and marked to record all changes made during construction. These documents, marked to record all changes made during construction, shall be available to Architect and Owner and shall be delivered to Owner as a condition precedent to Completion of the Work.

1.16.6. Contractor shall be responsible for the repair of all damage to the Work unless caused by Owner. All repair, cutting, fitting or patching of the Work that may be required to correct damaged Work to make its several parts fit together properly, shall be promptly done by the trade whose work is to be cut, fit or patched in a manner that will not endanger the Work and will leave same in good condition, and shall be paid for by Contractor. Notwithstanding the foregoing, structural members shall not be cut except upon written authority of the Architect, Owner and Contractor. Work done contrary to such authority is at the risk of Contractor, subject to replacement at its own expense and without reimbursement under the Contract. Permission to patch any areas or items of work shall not constitute a waiver of the right to require complete removal and replacement of said areas or items of work, if, in the Architect's or Owner's opinion, said patching does not satisfactorily restore quality and appearance of same.

1.17. Equipment.

1.17.1. Contractor shall prepare and submit to Architect and Owner, as subcontracts or sub-subcontracts are let, comprehensive lists in duplicate of the manufacturer's products proposed for the Work. Such lists shall include information on materials, equipment and fixtures as may be required for the Architect's and Owner's preliminary review. Review of such lists of products shall not be construed as a substitute for the shop drawings, manufacturer's descriptive data and samples which are required by the Contract Documents, but rather as a base from which more detailed submittals shall be developed for the Architect's and Owner's final review.

1.17.2. Where required by any technical section of the Contract Documents, Contractor shall submit a statement of application as specified and in the form attached prior to preliminary acceptance of the Work by Owner. If deviations from the Contract Documents have been necessary, or if, in the expert opinion of Contractor, subcontractor, fabricator or installer, the application as shown deviates from normal and proper application as recommended by the manufacturer, or if job conditions have necessitated deviations from manufacturer's instructions or other minimum standards of good practice, and if such deviation has been agreed upon by Architect or Owner, fabricator and installer prior to the installation, then such deviations shall be recorded on the statement of application. Otherwise, the statement of application shall be submitted as specified without qualification.

1.17.3. Manufacturers' nameplates shall not be permanently attached to ornamental and miscellaneous metal work, doors, frames, millwork and similar factory-fabricated products, furnishings, equipment and accessories on which, in the opinion of Owner, the nameplates would be objectionable if visible after installation of the Work. This does not apply to Underwriters' Laboratories' labels, where required.

1.17.4. Each major component of the mechanical and electrical equipment shall have the manufacturer's name, address, model number and rating on a plate securely affixed in a conspicuous place, as required in the mechanical and electrical sections of the specifications.

1.17.5. When the colors of factory-finished equipment are specified to be selected by the Architect, the colors selected may not be the manufacturer's standard colors, in which case special colors shall be provided as required. Contractor shall notify Owner in the event such selection involves an additional cost and an appropriate Change Order shall be so issued if after such notification Owner does not disaffirm such selection. Contractor or subcontractor will submit samples of all colors for Owner's approval.

1.17.6. All manufactured articles, materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the manufacturer's written specifications or instructions except as otherwise specified herein. Contractor shall furnish to the Architect and Owner five (5) copies of such specifications or instructions as may be required in the technical sections of the specifications before proceeding with the Work.

1.17.8. In case of any differences or conflicts between the requirements of the manufacturer's instructions or specifications and the technical sections of the specifications, the instructions or specifications having the more detailed and precise requirements which are specifically applicable to the work in question, as determined by Owner, shall govern. Contractor shall assign or have assigned to Owner any and all manufacturer's warranties with respect to any item of equipment or material for which such warranty was issued.

1.18. Operation and Maintenance Instructions. Contractor shall furnish three (3) complete sets of manuals, containing the manufacturers' instructions for maintenance and operation of each item of equipment and apparatus furnished under the Contract Documents, a manufacturer's parts list, a current price list and any additional data specifically required under the various sections of the specifications for each division of the Work. The manuals shall be arranged in proper order, indexed and suitably bound. At the Completion of the Work, Contractor shall certify and shall obtain and deliver to Owner the certification of each subcontractor, by endorsement thereon, that each of the manuals is complete and accurate. Prior to Contractor's application for final payment and as a condition precedent to Final Payment Contractor shall deliver the manuals, arranged in proper order, indexed and endorsed as hereinbefore specified and assembled for all divisions of the Work and submit them to Owner. Contractor shall provide suitable transfer cases and deliver the records therein, indexed and marked for each division of the Work.

1.19. Training. Contractor shall provide Owner and the Purchaser of all units in the Project with training relating to the operation and maintenance of all systems in the Project.

## ARTICLE II Payment

2.1. Progress Payments. Provided Contractor shall not be in default in the performance of any provision of this Construction Contract to be performed by Contractor, Contractor shall receive in payment of its performance hereunder an amount equal to the Contract Sum. Payments shall be made in monthly installments as the Work progresses. On one (1) occasion during each month, Contractor shall submit to Owner and Architect a written requisition in an approved form for payment showing the proportionate value in relation to the total price herein of the Work theretofore performed, from which shall be deducted a reserve of ten percent (10%) until the Project is fifty percent (50%) complete. The balance of the requisition, to the extent approved by Owner or its agent, shall be payable to Contractor within fifteen (15) days after such approval. Each requisition for payment shall be accompanied by a sworn statement of Contractor listing the total amount of Work performed and material supplied by Contractor and all of its subcontractors and material suppliers; the amount of previous payments; a breakdown allocating the total payments to Contractor, its subcontractors and materialmen; any amount charged for overhead and profit; the amount of the aforesaid reserve; and the balance to complete the Work. Said statement shall be accompanied by waivers of lien of Contractor, its subcontractors and materialmen in the total amount of all payments to be made in accord with the laws of the state where the Premises are located, and shall be acceptable to Owner and any disbursement agent or title insurance company acting on Owner's behalf and Lender. Evidence of clear title to all personal property, equipment and fixtures shall be presented to Owner prior to any payment therefor. Owner may at its discretion make any applicable portion of any payment not in dispute between Contractor and any applicable subcontractor to any subcontractor or through any applicable title insurer or payout agent, or both; provided, however, that no contractual relationship shall be construed as a result of any such direct payment. If such payments are not made directly to any subcontractor, Contractor shall make the requisite payment to all

subcontractors within ten (10) days of receipt thereof, failing which, Contractor shall thereupon return to Owner any portion of any payment not so paid to a subcontractor. Unless payments are made to a subcontractor directly by Owner, Owner shall be under no obligation to pay or insure payment to subcontractors, such obligation to be that of Contractor. Simultaneously, and as a condition to receiving the last payment of the Contract Sum due hereunder, Contractor shall deliver to Owner a final sworn contractor's statement and final waivers of lien of Contractor, its subcontractors and material suppliers sufficient to waive and release any and all claims of compensation due or to become due in consideration of the Work.

All payments to Contractor may, at Owner's sole option, be made through a construction escrow with a title insurance company designated by Owner (hereinafter referred to as the "Title Company"). The escrow shall be on terms and conditions of the Title Company's standard construction escrow modified to conform to this Construction Contract and acceptable to Owner. All of the documentation required by this Section 2.1 shall be delivered to and reviewed by the Title Company and subject to the reasonable approval of the Title Company.

2.2. Reserve. Payment of the reserve shall be made to Contractor within thirty (30) days after Substantial Completion of the Work in accordance with the terms of this Construction Contract.

2.3. Final Completion.

2.3.1. Within ten (10) days of receipt of written notice from Contractor that the Work is completed and ready for final inspection and acceptance, Owner and Architect shall make such inspection, and if Owner finds that the Work and other obligations of Contractor are fully completed, then Owner shall, within five (5) days thereafter, either signify his acceptance in writing to Contractor stating that there has been Completion of Work and it is acceptable to Owner under the terms and conditions of the Contract Documents, or notify Contractor in writing as to the reason or reasons why Owner refuses to accept the Work. The date of issuance of the written notice of acceptance shall be designated as the date of Completion of the Work. Prior to final payment of the Contract Sum, Contractor shall fully demonstrate the use and function of each system or piece of equipment included in the Work. A final application for payment may be made fifteen (15) days after the date of Completion of the Work, provided that no mechanic's liens are in effect.

2.3.2. If Completion of the Work has occurred, but minor items remain to be performed through no fault of Contractor, Owner may, in its sole discretion, issue its acceptance of the Work, subject to such items listed on the Punch List which shall be set forth in the notice of acceptance as provided in Paragraph 2.3.1 above, and one hundred twenty five percent (125%) of the cost of such incomplete items (as determined by Owner) shall be retained by Owner. The amount so retained shall not become due and payable to Contractor until Owner shall certify, in writing, that said items listed have been completed, Owner's inspection shall confirm such to be correct and Contractor shall submit an application for payment with respect to such items. If such items are not completed within sixty (60) days after Substantial Completion of the Work, Owner may, in its sole discretion, cause same to be completed by such persons or entities as Owner shall choose, and the cost of same shall be paid by Contractor or deducted, to the extent possible, from any sums then due Contractor hereunder.

2.3.3. Payment upon Completion of the Work is subject to receipt from Contractor and approval by Owner and Lender of final documents of similar nature to those required by the Contract Documents for any monthly payment hereunder, together with the following:

2.3.3.1. all final permits, approvals, certificates and authorizations for use and occupancy of the completed Work required by any authority having jurisdiction, including necessary occupancy and use permits, and all sets of drawings which were stamped and approved by any applicable governmental agency;

was authorized to do any extra work or make any modification to the Work in the absence of such written order. The Contract Sum is the full and total remuneration and consideration to be paid to Contractor for the performance of the Work.

2.5. Royalties. Contractor agrees to pay all royalties and license fees and to indemnify and hold harmless Owner and its agents from loss or damage or expense to which they may be put as a result of claims made or litigation on account of alleged violation or infringement of any royalties, patents or patented rights arising out of the Work, methods, materials or things used by Contractor.

2.6. Withholding of Payment. Owner hereby reserves the right to withhold payment, to the extent necessary, to protect itself from loss due to any of the following: (a) defective work; (b) evidence indicating the probable filing of claims by other parties against Owner or its agents in connection with this Construction Contract; (c) failure of Contractor to pay any of its subcontractors or material suppliers; and (d) damage caused by Contractor or any subcontractor of Contractor to Owner or its agent or representatives.

### ARTICLE III Contractor's Liability

3.1. Assumption of Liability. To the extent permitted by applicable law, Contractor assumes the entire responsibility and liability for, and agrees to hold Owner, Owner's Lender, the Architect and their agents, employees, partners, beneficiaries and anyone else acting on behalf of any of the foregoing (all of said parties are hereinafter sometimes collectively referred to as "Indemnitees"), harmless from, any and all damage or injury of any kind or nature whatsoever (including death resulting therefrom) to all persons whether employees of Contractor or otherwise, and to all property (including loss of use thereof) to the extent caused by, resulting from, arising out of or occurring in connection with the execution of the Work, and all damage, direct or indirect, of whatsoever nature, to the extent resulting from the performance of the Work. If any person shall make a claim for any damage or injury (including death resulting therefrom) as hereinabove described, whether such claim be based upon any alleged active or passive negligence or participation in the wrong or upon any alleged breach of any statutory duty, administrative regulation (whether non-delegable or otherwise) or obligation on the part of an Indemnitee or its agents, or otherwise, Contractor agrees to indemnify and save such Indemnitee harmless from and against all losses and all liabilities, expenses and other detriments of every nature and description (including attorneys' fees), to which the Indemnitee may be subjected by reason of any act or omission of Contractor or of any of Contractor's subcontractors, employees, agents, invitees or licensees, to the extent such loss, liability, expense or other detriment arises out of or is in connection with the performance of Work, including, but not limited to, personal injury and loss of or damage to property of the Indemnitee or others. Contractor agrees to assume on behalf of the Indemnitee or its agents or contractors the defense through counsel of any action at law or equity which may be brought against any of such parties upon such claim and to pay on behalf of same upon demand the amount of any judgment which may be entered against any of such parties in any such action. The obligation under this paragraph shall be continuing and shall not be diminished by any approval or acceptance of or payment for work by Owner or its agents.

Without limiting the generality of the foregoing, the indemnity hereinabove set forth shall include all liability, damages, loss, claims, demands and actions on account of personal injury, death or property loss to any Indemnitee and any of Indemnitee's employees, agents, contractors, licensees or invitees, whether based upon or claimed to be based upon, statutory (including, without limitation, workmen's compensation), contractual, tort or other liability of any Indemnitee, contractor or subcontractor or any other persons. The provisions of this indemnification paragraph shall not be construed to indemnify any Indemnitee for any loss or damage attributable to the acts or omissions of such Indemnitee or to eliminate or reduce any other indemnification or right which an Indemnitee may have by law. No bond or insurance protection nor any limitation on the amount or type of damages,

compensation or benefits payable by or for the Indemnitors under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts shall limit the indemnity hereinabove provided.

3.2. No Limitation. The obligations of Contractor hereunder shall extend to the liability of the Architect, his agents or employees, arising out of (i) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs or specifications, or (ii) the giving of or the failure to give directions or instructions by the Architect, its agents or employees, provided that the giving or failure to give such direction or instruction is the primary cause of the injury or damage.

3.3. Employees. Contractor and all subcontractors agree to assume the entire liability for all personal injury and claims of personal injury suffered by their own employees asserted by persons allegedly injured in connection with the Work, and hereby waive any limitation of liability whatsoever, including but not limited to limitations based upon the Worker's Compensation Act. To the extent permitted by law, Contractor and all subcontractors agree to indemnify, hold harmless and defend Owner and its agents, contractors and employees from and against any and all loss, expense, damage or injury, including court costs and reasonable fees of counsel sustained as a result of all such personal injury and claims of personal injury arising as a result of any act or omission of Contractor, any subcontractor or anyone acting on behalf of Contractor.

3.4. Indemnity. Contractor agrees to protect, defend, indemnify and save harmless Owner and its officers, directors, partners, employees, contractors, subcontractors and agents from all liabilities, costs, damages, fees and expenses arising out of or connected with the activities of Contractor and its representatives, including, but not limited to, mechanics' liens, damage to the Project, delays in construction, and injury to persons or property resulting from such activities in connection therewith, and the cost of any repairs to the Project necessitated by activities of Contractor or its subcontractors, except to the extent arising from Owner's written directions to Contractor or otherwise directly attributable to Owner's supervision and control of the Work.

Owner agrees to protect, defend, indemnify and save harmless Contractor and its officers, directors, partners, employees, subcontractors and agents from all liabilities, costs, damages, fees and expenses arising out of or connected with the activities of Owner or third party contractors in or about the Premises, except to the extent directly attributable to Contractor.

Each party acknowledges that the foregoing indemnities shall be in addition to any insurance requirements of the other party and shall not be in discharge of or in substitution for same.

## ARTICLE IV

### Insurance

4.1. Type of Insurance. Contractor shall purchase and maintain the following insurance issued in amounts required by law but in no event less than those specified below and no Work shall be commenced under this Construction Contract until Contractor shall have obtained all requisite insurance and Owner shall have approved of same:

4.1.1. Workmen's Compensation in accordance with the laws of the state where the Premises are located, covering all employees who are to provide service under this Construction Contract, including a broad form, all states endorsement, and Employers Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) each accident or illness.

4.1.2. Comprehensive General Liability Insurance as follows:

4.1.2.1. Bodily Injury and Personal Injury Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for injuries sustained by one or more persons in any one accident, but in any event not less than the limits provided by applicable law, statute or ordinance; and

4.1.2.2. Property Damage Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for each accident and TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) aggregate for each year of the policy period; and

4.1.2.3. Above to include all premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement although some customary exclusions may apply), Blanket Contractual Liability, Completed Operations, Broad Form Property Damage, Elevator Liability, an Installation Floater, Independent Contractors, Personal Injury (employees exclusion deleted), and "X", "C" and "U" exclusions deleted.

4.1.3. Comprehensive Automobile Liability as follows:

4.1.3.1. Bodily Injury Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for injuries sustained by each person in any one accident and TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for injuries sustained by two or more persons in any one accident; and

4.1.3.2. Property Damage Liability in an amount not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for each accident; and

4.1.3.3. Above to include employer's owned, non-owned, leased and hired car coverage.

4.1.4. When any work is to be done adjacent to or on railroad or transit property, each contractor or subcontractor shall provide, or cause to be provided with respect to the operations that each performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy has limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

4.1.5. Contractor shall provide All Risk Builders Risk Insurance (with customary exclusions) at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. Owner and City shall be named as additional insured and loss payee.

4.1.6. When any architects, engineers, construction managers or other professional consultants perform work in connection with the Work, professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

4.1.7. When any plans, designs, drawings, specifications and documents are produced or used under the Work, Valuable Papers Insurance shall be maintained in an amount to insure against any loss whatsoever, and has limits sufficient to pay for the re-creations and reconstruction of such records.

4.1.8. When any remediation work is being performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of one (1) year.

4.1.9. The above required Comprehensive General Liability Insurance Policy and Comprehensive Automobile Liability Policy shall each be written on an occurrence form and contain an omnibus clause providing that Architect, Lender and Owner are included and Owner and the City are to be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from the Work.

4.2. Requirements of Insurers. Contractor shall comply with all requirements of the insurers issuing the aforesaid policies. The carrying of any of the aforesaid insurance shall not be interpreted as relieving Contractor from any obligation hereunder.

4.3. Subcontractor Insurance. Contractor shall require all subcontractors to obtain and maintain separate coverage in compliance with the provisions of Section 4.1., but with such reasonable limits as required by Owner. Each of the aforesaid policies of Contractor and all subcontractors shall (i) be considered primary insurance without recourse to any other similar insurance; and (ii) include Owner and the City as additional insureds as required above.

4.4. Tools and Equipment.

4.4.1. Owner shall not be responsible for, nor shall it insure, the property of Contractor, including, but not limited to, tools and equipment located at the Premises. Contractor and its subcontractors shall be responsible for providing theft or other insurance to protect its interest in materials in transit or in storage off the Premises.

4.4.2. Contractor shall maintain Contractors Equipment Floater Insurance for owned or leased equipment under its care, custody and control as required for the performance of Contractor's duties. Such insurance shall be for the sole benefit of Contractor.

4.5. Notice of Cancellation. All insurance obtained by Contractor as herein required shall contain a provision that coverages afforded under said policies shall not be cancelled or materially changed without at least sixty (60) calendar days' written notice to Owner, and shall be underwritten with responsible insurance carriers rated not less than a Best's rating of "A10" and otherwise satisfactory to Owner and licensed to do business in the state where the Premises is located.

4.6. Certificates. Certificates of insurance evidencing compliance with this Agreement in the form of ACORD 27, specifically stating that the insurance evidenced thereby is primary to any other valid and collectible insurance and, if requested by Owner, the applicable policies evidencing the foregoing insurance, shall be presented to Owner prior to commencement of the Work. Contractor shall advise all of its insurers of these insurance provisions. Non-conforming insurance shall not relieve Contractor of the obligation to provide insurance as specified

herein. Neither Contractor nor any subcontractor may commence any portion of the Work until proper evidence of insurance is provided.

4.7. Other Insurance Requirements. Contractor will furnish Owner with original Certificates of Insurance evidencing the required coverage to be in force on the date of this Construction Contract, and renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Construction Contract. The receipt of any Certificate does not constitute agreement by Owner that the insurance requirements in the Construction Contract have been fully met or that the insurance policies indicated on the Certificate are in compliance with all Construction Contract requirements. The failure of Owner to obtain Certificates or other insurance evidence from Contractor shall not be deemed to be a waiver by Owner. Contractor shall advise all insurers of the Construction Contract provisions regarding insurance. Non-conforming insurance shall not relieve Contractor of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Construction Contract, and Owner retains the right to terminate this Construction Contract until proper evidence of insurance is provided. The insurance shall provide for sixty (60) days prior written notice to be given to Owner and the City in the event coverage is substantially changed, canceled, or non-renewed. Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by Contractor. Contractor agrees that insurers shall waive rights of subrogation against Owner and the City, its employees, elected officials, agents or representatives. Contractor expressly understands and agrees that any coverages and limits furnished by Contractor shall in no way limit Contractor's liabilities and responsibilities specified within this Construction Contract or by law. Contractor expressly understands and agrees that Contractor's insurance is primary and any insurance or self insurance programs maintained by Owner and the City shall not contribute with insurance provided by Contractor under the Construction Contract. The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law. Owner and the City Risk Management Department maintains the right to modify, delete, alter or change the insurance requirements, from time to time, so long as any such change does not increase the requirements set forth herein.

## **ARTICLE V** **Termination**

5.1. Termination by Owner. If Contractor: (i) should fail to prosecute the Work with reasonable promptness and diligence, or should fail or refuse to supply sufficient skilled workmen or materials of the proper quality, and should Contractor fail to cure same within seven (7) days after written notice from Owner to Contractor, or (ii) should fail to make prompt payment to subcontractors or for material or labor pursuant to the provisions hereof, or should Contractor become insolvent or be unable to pay its debts as they mature, or make a general assignment for the benefit of creditors, or if a receiver should be appointed for the whole or any substantial part of Contractor's property, or if Contractor should file a petition in bankruptcy or be adjudicated a bankrupt, or should any proceedings be filed under the Bankruptcy Act, either voluntary or involuntary, and such appointment or bankruptcy or insolvency proceedings, petition or assignment is not set aside within thirty (30) days, or if Contractor defaults in the performance of any provision of this Construction Contract then, in any such event, Owner may, in addition to all other rights and remedies provided by law, terminate this Construction Contract by giving written notice to Contractor and, without prejudice to other rights or remedies provided by law or by this Construction Contract, may take possession of the Premises and of all or any part of the materials or equipment delivered or in transit to the Premises and finish the Work by whatever method it may deem expedient. In the event of such termination, Contractor shall be paid for unpaid authorized costs of work prior to termination, subject to Owner's approval in the manner specified in this Construction Contract, minus any additional costs incurred by Owner resulting from such termination.

5.2. Remedy by Owner. If Contractor, or any subcontractor, defaults or neglects to carry out the Work in accordance with the Contract Documents, and fails after notice to Contractor, to commence and continue, correction of such default or neglect, with diligence and promptness Owner may, without prejudice to any other remedy it may have, correct or cause the correction of such deficiencies. In such case, an appropriate Change Order shall be issued deducting from the payments then or thereafter due Contractor, the amount deemed necessary by Owner to correct such deficiencies, including, but not limited to, all costs of the Architect's additional services made necessary by such default, neglect or failure. If the payments then or thereafter due to Contractor are not sufficient to cover such amount, Contractor shall immediately pay the difference to Owner.

5.3. Termination by Contractor. Should Owner default in its obligations hereunder and should it fail to cure same within seven (7) days after written notice from Contractor to Owner, Contractor may, at its sole and exclusive remedy hereunder, terminate this Construction Contract. Upon such a termination, Contractor shall be entitled to recover from Owner, full payment for all work performed to the date of such termination along with a reasonable amount for overhead and profit.

5.4. Claims for Consequential Damages. Contractor and Owner waive claims against each other for consequential damages arising out of or relating to this Construction Contract.

## **ARTICLE VI**

### **Bids and Subcontractors**

6.1. Bids. Contractor shall solicit bids from and obtain bids from at least three qualified and competitive subcontractors or materials suppliers eligible to do business with the City for any trade contract or material supplier. All bids shall be submitted to Owner and the City for approval.

6.2. Subcontractors. The identity of any subcontractors shall be subject to the approval of Owner and the City and shall consist of the subcontractor submitting the lowest responsible bid who can complete the Work in a timely manner.

6.3. Contracts. Contractor shall submit copies of each letter of intent and contract with any subcontractor to Owner and the City for approval. Photocopies of all such contracts and subcontracts shall be provided to Owner and the City within ten (10) business days prior to the execution thereof and fully executed copies of the approved contracts and subcontracts shall be provided to Owner and the City within five (5) days of the execution thereof.

6.4. Bonds. Contractor and all and subcontractors shall procure bid, payment and performance bonds as required by Owner. Prior to the commencement of any portion of the Work which includes work on the public way, Contractor performing the work shall be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. Owner and the City, as applicable, shall be named as obligee or co-obligee on any such bonds.

## **ARTICLE VII**

### **Redevelopment Agreement**

7.1. Redevelopment Agreement. Contractor and all of its subcontractors must comply in all respects with any and all of Owner's obligations under any tax increment financing arrangement including, without limitation, the Redevelopment Agreement.

**ARTICLE VIII**  
**Employment**

8.1. **Employment Reports.** Contractor shall deliver to Owner written progress reports detailing compliance with the requirements of the employment requirements set forth herein. Such reports shall be delivered to Owner when the Work is 25%, 50%, 70% and 100% complete. If any such reports indicate a shortfall in compliance, Contractor shall also deliver a plan to Owner which shall outline, to Owner's satisfaction and to the satisfaction of the City, the manner in which such contractor or subcontractor shall correct any shortfall. Contractor shall submit to Owner and the City, from time to time upon request, statements of its employment profile.

8.2. **Wages.** Contractor agrees 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 the request of Owner or the City, each contractor or subcontractor shall provide Owner and the City with copies of all contracts entered into by Contractor or subcontractor to evidence compliance with the provisions of this paragraph.

8.3. **Employment Requirements.** Contractor agrees (and that it will require its subcontractors to agree) that, during the period of construction of the Project:

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

8.3.2. To the greatest extent feasible, Contractor is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the redevelopment area around the Project; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area (as defined in the Redevelopment Agreement).

8.3.3. Contractor shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City of Chicago's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.* (1993), and any subsequent amendments and regulations promulgated thereto.

8.3.4. Contractor, in order to demonstrate compliance with the terms hereof, shall cooperate with and promptly and accurately respond to inquiries by Owner and the City or any department thereof, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

8.3.5. Contractor shall include the foregoing provisions of this Article IX in every contract entered into in connection with the Work and every agreement with any affiliate performing the Work, so that each such provision shall be binding upon each contractor, subcontractor or affiliate, as the case may be.

8.3.6. Failure to comply with the employment obligations described herein shall be a basis for Owner and the City to pursue remedies against Contractor.

8.3.7. Contractor shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage each contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both unskilled and skilled labor positions.

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

8.3.9. Contractor shall maintain adequate employee residency records to show that actual Chicago residents are employed for the Work. Contractor shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

8.3.10. Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to Owner and The City in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that Contractor or subcontractor hired the employee should be written in after the employee's name.

8.3.11. Contractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of The City, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Each contractor and subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

8.3.13. Good faith efforts on the part of Contractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Article concerning the worker hours performed by actual Chicago residents.

8.3.14. When the Work is completed, in the event that Owner or the City has determined that Contractor has failed to ensure the fulfillment of the requirement of this Article concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, Owner and the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Article. Therefore, such contractor or subcontractor shall indemnify Owner and the City for any damages, costs, liabilities or sums which Owner or the City (as applicable) incurs as a result of such shortfall toward the stipulated residency requirement. The willful falsification of statements and the certification of payroll data may subject the applicable contractor or subcontractor to prosecution.

8.3.15. Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

8.3.16. Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs: (a) at least 25 percent by MBEs; and (b) at least 5 percent by WBEs.

8.3.17. Prior to the commencement of the Work, Contractor shall be required to meet with Owner and the monitoring staff of The City with regard to compliance with these rules and regulations. During this meeting, Contractor or subcontractor, as applicable, shall demonstrate to Owner and the City its plan to achieve its obligations under these rules and regulations, the sufficiency of which shall be approved by Owner and the City.

8.3.18. During the Work, Contractor shall submit the documentation required by these rules and regulations to Owner and the monitoring staff of the City, including the following: (i) contractor's or subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Work via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements.

8.3.19. Contractor shall attend, manage and conduct outreach meetings and otherwise use its best efforts to comply with all employment requirements of these rules and regulations and as may otherwise be required under the Redevelopment Agreement.

## ARTICLE IX

### Access

9.1. Owner's Access. During the performance of the Work, Owner shall have the right to inspect the Project to monitor the progress of construction and Contractor's and each subcontractor's compliance with this Construction Contract.

9.2. Contractor's Access. Contractor shall be permitted access to the applicable portion of the Project reasonably designated by Owner for the performance of the Work only if they comply with all of the terms and conditions of this Construction Contract.

## ARTICLE X Separate Contractors

### 10.1. Owner's Right to Perform Construction and to Award Separate Contracts.

10.1.1. Owner reserves the right to perform construction or operations related to the Project with Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If Contractor claims that delay or additional cost is involved because of such action by Owner, Contractor shall make such a request for a Change Order.

10.1.2. Owner shall provide for coordination of the activities of Owner's own forces and of each separate contractor with the Work of Contractor, who shall cooperate with them. Contractor shall participate with other separate contractors and Owner in reviewing their construction schedules when directed to do so. Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by Contractor, separate contractors and the other until subsequently revised.

10.1.3. When Owner performs construction or operations related to the Project with Owner's own forces, Owner shall be deemed to be subject to the same obligations and to have the same rights which apply to Contractor under this Construction Contract.

### 10.2. Mutual Responsibility.

10.2.1. Contractor shall afford Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate Contractor's construction and operations with theirs as required by the Contract Documents.

10.2.2. If part of Contractor's Work depends for proper execution or results upon construction or operations by Owner or a separate contractor, Contractor shall, prior to proceeding with that portion of the Work, promptly report to Owner apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of Contractor so to report shall constitute an acknowledgment that Owner's or separate contractor's completed or partially completed construction is fit and proper to receive Contractor's Work, except as to defects not then reasonably discoverable.

10.2.3. Owner shall be reimbursed by Contractor for costs incurred by Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of Contractor. Owner shall be responsible to Contractor for costs incurred by Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

10.2.4. Contractor shall promptly remedy damage wrongfully caused by Contractor to completed or partially completed construction or to property of Owner or separate contractors.

10.3. Owner's Right to Clean Up.

10.3.1. If a dispute arises among Contractor, separate contractors and Owner as to the responsibility under their respective contracts for maintaining the Premises and surrounding area free from waste materials and rubbish, Owner may clean up and the Architect will allocate the cost among those responsible.

**ARTICLE XI**  
General Provisions

11.1. Assignment. This Construction Contract may not be assigned or encumbered by Contractor. Contractor shall be as fully responsible to Owner for the acts, omissions, materials and workmanship of its subcontractors and their employees as for the acts, omissions, materials and workmanship of Contractor. Nothing herein contained shall be deemed a waiver of any right of Contractor to enforce liability against a subcontractor of Contractor.

11.2. Notices. All written notices hereunder shall be deemed to be made properly if personally delivered or sent by a nationally-recognized overnight courier service or by registered or certified mail, return receipt requested, and addressed to the parties at the addresses heretofore set forth. The address may be changed by either party giving such notice. Notice shall be deemed received upon delivery or if delivery is refused upon attempted delivery.

11.3. Entire Agreement. This Construction Contract constitutes the entire agreement between Contractor and Owner relating to the Work. Except as specifically provided herein, no modification, waiver, termination, rescission, discharge or cancellation of this Construction Contract or of any terms thereof shall be binding on Owner unless in writing and executed by an officer or employee of Owner specifically authorized to do so.

11.4. Waiver. No waiver, termination, discharge or cancellation of this Construction Contract or of any terms hereof or certificate, approval or payment made to Contractor, or use or occupancy of the Work shall impair Owner's rights with respect to any liabilities, whether or not liquidated, of Contractor to Owner.

11.5. Governing Laws. This Construction Contract shall be construed in accordance with the laws of the State of Illinois.

11.6. Saving Clause. If any term or provision of this Construction Contract shall be found to be illegal, unenforceable or in violation of the laws, statutes, ordinances or regulations of any public authority having jurisdiction thereof by a court of competent jurisdiction, then, notwithstanding such term or provision, this Construction Contract shall be and remain in full force and effect and such term shall be deemed stricken; provided, however, this Construction Contract shall be interpreted, when possible, so as to reflect the intentions of the parties as indicated by any such stricken term or provision.

11.7. Joint Effort. The preparation of this Construction Contract has been a joint effort of the parties hereto and the resulting documents shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

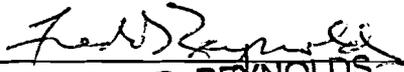
11.8. Captions. The captions in this Agreement are for convenience only and shall have no bearing or effect upon the terms hereof.

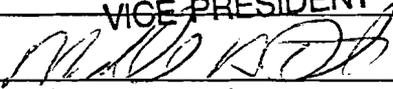
IN WITNESS WHEREOF, the parties hereto have caused this Construction Contract to be properly executed as of the day and year first above written.

**OWNER:**

**CIPM, L.L.C., an Illinois limited liability company**

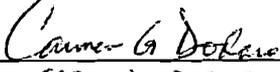
By: CenterPoint Realty Services Corporation, an Illinois corporation, its sole member

By:   
Name: FRED D. REYNOLDS  
Title: VICE PRESIDENT

By:   
Name: HUBERT B. TORTORELLA  
Title: RESIDENT SECRETARY

**CONTRACTOR:**

**FCL BUILDERS, INC., an Illinois corporation**

By:   
Name: CARMEN G. DEDALLE  
Title: EXECUTIVE VICE PRESIDENT

**EXHIBIT "A"**  
**PREMISES**

**PARCEL 1:**

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 AND 15 IN BLOCK 13 (EXCEPTING THEREFROM THE WEST 65 FEET OF THE SOUTH 15 FEET OF LOT 2 AND THE WEST 15 FEET OF LOTS 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 AND 15 IN BLOCK 13) AND LOTS 16, 17 AND 18 (EXCEPTING THEREFROM THE WEST 100 FEET THEREOF), IN BLOCK 13; AND LOTS 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33 AND 34 IN BLOCK 12 AND LOT 35 (EXCEPTING THEREFROM THE NORTH 80.4 FEET OF THE EAST 30 FEET THEREOF) AND LOT 36 (EXCEPTING THEREFROM THE EAST 80 FEET THEREOF) IN BLOCK 12, ALL SAID LOTS AND BLOCKS BEING IN S. J. WALKER'S DOCK ADDITION TO CHICAGO BEING A SUBDIVISION OF THAT PART OF THE EAST ½ OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH LIES NORTH OF THE WEST BRANCH OF THE SOUTH BRANCH OF THE CHICAGO RIVER IN COOK COUNTY, ILLINOIS.

**PARCEL 2**

THE WESTERLY ½ OF CANAL "C" LYING EAST OF AND ADJOINING LOTS 19 TO 35, BOTH INCLUSIVE, (EXCEPTING THEREFROM THE NORTH 80.4 FEET OF THE WESTERLY ½ OF CANAL "C" LYING EAST OF AND ADJOINING THE NORTH 80.4 FEET OF LOT 35), ALL IN BLOCK 12 IN S. J. WALKER'S DOCK ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE EAST ½ NORTH OF RIVER OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

INITIAL HERE

*CD*  
*FR*

**EXHIBIT "B"**  
**PLANS**

Chicago International Produce Market Site Plan  
Prepared by Cornerstone Architects, Ltd.  
Job # 98167, dated December 29, 2000

*FJR*  
INITIAL HERE *CAO* \_\_\_\_\_

**EXHIBIT "B"**

INITIAL FILE

CGD  
ADR

**PRELIMINARY SPECIFICATIONS  
FOR**

***THE CHICAGO INTERNATIONAL  
PRODUCE MARKET***

**January 24, 2001**

This outline specification, along with the attached preliminary plans prepared by Cornerstone Architects, Ltd., Job No. 98167, dated 12/29/00 shall define the scope of a new facility for The Chicago International Produce Market.

## Table of Contents

**General Description**.....Section 1.00

- 1.10 Size of Building and Tract:
- 1.20 General Conditions

**Design**.....Section 2.00

**Site Work**.....Section 3.00

- 3.10 Seawall Repairs
- 3.20 Demolition
- 3.30 Earthwork
- 3.40 Site Utilities
- 3.50 Wolcott R.O.W. (and Blue Island intersection) Improvements
- 3.60 Site Paving
  - 3.60.1 Concrete
  - 3.60.2 Bituminous
- 3.70 Exterior Finishes
  - 3.70.1 Curbs and Sidewalks
  - 3.70.2 Exterior Lighting
  - 3.70.3 Fencing
  - 3.70.4 Landscaping

**Building Shell**.....Section 4.00

- 4.10 Exterior Precast Walls
- 4.20 Steel Structural
- 4.30 Roof
  - 4.30.1 Roof System
  - 4.30.2 Roof drains and interior storm piping

- 4.40 Concrete and Floor Slabs
  - 4.41 Floor Slabs
  - 4.42 Floor Hardner
  - 4.43 Rodent Strip
  
- 4.50 Truck Docks and Equipment:
  - 4.51 Truck Loading Doors
  - 4.52 Truck Dock Accessories

**HVAC System** .....Section 5.00

**Plumbing** .....Section 6.00

**Fire Protection** .....Section 7.00

**Electrical** .....Section 8.00

- 8.10 Electrical Service
- 8.20 Lighting
- 8.30 Fire Alarm

**Guard House** .....Section 9.00

**Entrance Feature/ Signage** .....Section 10.00

**Miscellaneous** .....Section 11.00

**Demising Wall** .....Section 12.00

**Alternates**..... Section 13.00

- 13.10 Trailer/Additional Parking Paving Improvements
- 13.20 Alternate Floor Hardner

**Sale Tax Abatement, State Grants or Funding**.....Section 14.00

- 14.10 Sale Tax Abatement on Construction Materials (DEDUCT)
- 14.20 State Grants or Funding (DEDUCT)

## **1.00 GENERAL DESCRIPTION**

### **1.10 Size of Building and Tract:**

The total facility will be approximately 436,224 square feet, located on a 25.78 acre parcel (1,123,188 square feet) on Wolcott Ave. & The Chicago River in Chicago, Illinois. The building will be comprised of 36 units of 12,117.33 square feet each.

### **1.20 General Conditions:**

General Conditions include on-site supervision, general labor, safety management, security, clean up and debris removal, temporary utilities, field office, testing, equipment rental, and quality assurance for the shell and core.

## **2.00 DESIGN**

The design of the facility will be completed by registered architects and engineers. The design will include architectural, structural, civil, mechanical, plumbing, fire protection, electrical and landscaping plans. The plans will be in sufficient detail to allow issuance of a building permit for shell building by local authorities.

## **3.00 SITE WORK**

### **3.10 Seawall Repairs**

All required repairs to the existing seawall to maintain the integrity of the wall. Work to be performed per the requirements of the City of Chicago and other governing authorities.

### **3.20 Demolition**

All required demolition of existing underground utilities, roadways, railroad spurs, pavement, etc. All material to be removed from site and legally disposed. Existing concrete to be crushed and used as part of the building pad construction.

### **3.30 Earthwork**

3.30.1 Dynamic compaction is required for the perimeter footings, interior column piers, and foundation of shear walls. The compaction to be performed per the direction and under the guidance of a soils engineer and the City of Chicago.

- 3.30.2 Import of suitable material to provide engineered fill for the construction of a dock high building pad is included. Because the existing site is void of black dirt, import of black dirt for “green” planting areas is included.
- 3.30.3 Stone base for slabs, site concrete, and curbs is included and placed to the specifications of the soils engineer.

### **3.40 Site Utilities**

Provide all necessary tools, material, labor, supervision, management, and all miscellaneous items to provide a completed job of storm sewer, sanitary sewer and water main per the City of Chicago Building Code.

### **3.50 Wolcott R.O.W. (and Blue Island intersection ) Improvements**

- 3.50.1 Provide all necessary labor, material, supervision, management, permits, fees, traffic control, and any miscellaneous items to accomplish a complete job of widening and improving Wolcott Ave, and reconfiguring Blue Island Ave. Per the plans dated prepared by Spaceco Engineering plan L2 dated 9/06/00.
- 3.50.2 The scope of work includes widening of Wolcott Ave. from the N. boundary of the entrance to the new Produce Market site to the intersection of Blue Island Ave. This includes where indicated widening, pavement removal and replacement, curb removal and replacement, modification of sidewalks as noted, overlay of existing pavement with additional bituminous paving, striping for parking, and any repairs to existing infrastructure that may be required to complete the work as shown.
- 3.50.3 The scope also includes a widening and upgrade of the existing railroad crossing on Wolcott Ave. The R.R. crossing shall be widened to the same width as the new configuration on Wolcott. Existing timber crossing shall be removed and the crossing shall be replaced with applicable heavy duty rubber mat type crossing material per the railroad’s requirements.
- 3.50.4 A new traffic signal as approved by the Chicago Dept. of Transportation shall be engineered, provided and installed at the intersection of Wolcott and Blue Island. The intersection shall be ground, sealed, and re-striped as shown on the Spaceco drawing.
- 3.50.5 Work shall be done in such a way as to minimize disruption to local traffic and to allow ingress/egress for the Produce Market site.

### **3.60 Site Paving**

#### **3.60.1 Concrete**

Concrete dock paving to be 8" thick 4,000# air entrained concrete reinforced with 6x6x6 gauge steel mesh, on 3" compacted stone. The concrete paving extends 60' from the face of the building on both the truck dock and the customer dock areas.

#### **3.60.2 Bituminous**

Two Hundred Eleven (211), automobile parking stalls to be provided for the entire development. Handicap spaces as required. Light duty paving to be 1 ½" surface course, 1 ½" binder course over 8" stone. Striping and concrete bumpers provided. Handicap signage included.

Heavy duty paving for truck/van drives to be 2" surface course, 2" binder course over 10" stone. Truck pavement to extend a minimum of 130' from the face of the building for truck maneuvering.

### **3.70 Exterior Finishes**

#### **3.70.1 Curbs and Sidewalks**

B:6:12 curbs are provided for the entire site including landscape islands.

Sidewalks to be 5" concrete, broom finished over compacted stone.

#### **3.70.2 Exterior Lighting**

Install 1000 watt wall-mounted metal halide light fixtures to illuminate truck dock and car parking areas, and 1000 watt metal halide light fixtures on poles to illuminate remote parking areas. This lighting to be fed from the building service panel(s).

#### **3.70.3 Fencing**

An 8' high wrought iron fencing is included for the North, West and South property lines of the Market in compliance with the City of Chicago requirements.

### 3.70.4 Landscaping

Landscape design, plant materials, seed, sod and "hardscape" to comply with the requirements of the City of Chicago. Improvements for the Riverwalk area, including plant materials, seating area, sidewalk, and lighting are included.

## 4.00 BUILDING SHELL

### 4.10 Exterior Walls

All elevations of building to receive load bearing insulated precast concrete wall panels. Panels to have an R value equal to 12. Wall panels and accent bands to be stained to The Chicago International Produce Market's choice of color. The wall separating the users space and the common platform is constructed of load bearing precast concrete. The openings from the common platform to the dock to be 18' x 12' (no doors).

Prefinished gravel stop to be installed on all elevations of the building. Standard color to be selected by The Chicago International Produce Market.

### 4.20 Steel Structure:

Steel structure to be a combination of long span steel bar joists or truss girders and tube columns. Roof deck to be 22 gauge, standard ribbed deck, galvanized. Columns to be spaced approximately 42' - 8" x 42' - 3" on center, as per floor plan. Bottom of joists to be 26' clear from top of slab.

Structure has been designed to accommodate a future mezzanine and future structural platform running the length of the building at the covered platform area. See Addendum #1, for individual mezzanine specification, if applicable.

### 4.30 Roof

#### 4.30.1 Roof System

Roof to be a single ply, 45 mil, ballasted, EPDM membrane roofing system, Firestone, Carlisle or equal with isocyanurate insulation (R value equal to 40). This system is to be applied in accordance with manufacturer's specifications, and shall carry a manufacturer's fifteen (15) year warranty and twenty (20) year membrane warranty. Three (3) roof scuttles are provided for the facility. One in each electrical room and in the center of the building (location to be determined).

#### 4.30.2 Storm Piping and Drains

All roof drainage via interior downspouts with insulated horizontal offsets.

#### 4.40 Floor Slabs

4.41 Concrete floor slabs to be 6", 4000 psi concrete with 6x6 wire mesh, trowel finish on 3" compacted stone. Concrete floor to be sawcut in both directions, no greater than 15' on center.

4.42 Provide two coats of lapidolith floor hardener for the facility. The common platform to receive one coat of lapidolith and one coat of silane.

4.43 Provide a 12" wide rodent strip at interior of perimeter, exterior walls.

#### 4.50 Truck Docks and Overhead Doors:

##### 4.51 Truck Loading Doors:

Exterior semi-trailer truck docks to receive seventy-two (72) 9' X 10' manually operated insulated metal overhead doors. Each of 36 units to receive two (2) dock doors.

East wall to the platform to receive thirty-six (36) 14' x 12' manually operated insulated metal overhead doors.

##### 4.52 Truck Dock Accessories:

Seventy-two (72) 20,000# static capacity 6' x 8' mechanical levelers and seventy-two (72) dock seals at the exterior semi-trailer truck docks.

#### 5.00 H.V.A.C. SYSTEM

Heat will be provided as part of the Build Out Addendum.

The gas service to be designed and sized to accommodate user requirements. Each user will have a separate meter.

**6.00 PLUMBING**

Provide under slab sanitary sewer running the length of the building to accommodate future work in the Build Out Addendum.

The domestic water service to be designed and sized to accommodate user requirements. Each user will have a separate meter.

**7.00 FIRE PROTECTION:**

Design and install a dry pipe sprinkler system with dry pipe valves located throughout the facility, including the covered platform in accordance with City of Chicago Code.

The risers to each system to be attached to the exterior fire loop through wall mounted post indicator valves per City of Chicago Code.

**8.00 ELECTRICAL SERVICE, OUTLETS AND LIGHTING:**

**8.10 Electrical Service:**

Install a 277/480 volt, 3 phase, 4 wire electrical service with capacity to separately meter down to 400 amperes. Two 3000 amp main services are provided, one at each end of the building. The services will be enclosed in an electrical room located on the covered platform.

**8.20 Lighting:**

Interior lighting will be provided as part of the Build Out Addendum.

Provide 400 watt metal halide box type, lenses fixtures in the covered platform area. These fixtures will be fed from the building service panel (s).

*one per Bay SL 5/31/01  
CGD 5/31/01*  
Site lighting will be per City of Chicago Code.

**8.30 Fire Alarm**

A \$40,000 allowance is provided for all work associated with the installation of a fire alarm system in compliance with the requirements of the Produce Market and Local Code.

## **9.00 Guard House**

Guard House is 10' x 10' x 13'2" high per 9/20/2000, drawing prepared by Cornerstone Architects (attached).

## **10.00 Entrance Feature/ Sign**

Decorative entrance bollards are provided at the Market Entrance per the 04/10/2000 drawing (attached) prepared by Cornerstone Architects. A monument sign is included as part of the entrance feature. The sign is to be designed in compliance with the City of Chicago requirements. Signage for the individual owners is excluded from the scope of work.

## **11.00 Miscellaneous**

### **Specific Inclusions:**

- Builders' Risk insurance.
- Architectural plans and specifications.
- Surveys and soil borings.
- Conformance with the City of Chicago's Affirmative Action and EEOC Programs.
- Permit expeditors.
- State, Local, Federal Compliances.
- Compliance with Friends of The River Program

### **Exclusions:**

- Field painting of steel or piping.
- In-rack sprinklers, hose stations fire extinguishers.
- Build Out (See Build Out Addendum).
- Structural platform for user equipment.
- Mezzanines (See Build Out Addendum).
- Under slab insulation for low temperature coolers or freezers 34° low.
- Floor drains. (See Build Out Addendum).
- Signage for Individual Users.
- Anything not contained herein.

**12.00**     **DEMISING WALL**

All Units will require one Demising Wall, which will be added to the shell/core price per square foot at an allowance of \$87,307.83.

There are two types of walls from which to select:

**12.10 Masonry:**

City Code requires that the individual user spaces be separated by a one-hour partition. This is achieved by using a full height 12" concrete block wall between the user spaces. The bottom two courses of block are to be filled solid to help protect against forklift impact. Where a cooler butts the demising wall a 3" insulated liner panel will be applied to the wall to maintain temperature and avoid cold transmission. Where the demising wall is exposed to a "Sales" or "Staging Area", the concrete block wall will be painted using an epoxy paint to match the adjacent insulated panel color.

**12.20 Insulated Panel:**

City Code requires that the user spaces be separated by a one-hour partition. This is achieved by using a full height insulated sandwich panel. The panel will have an embossed 0.020" white painted galvanized steel with a "Coinjock B" fiber insulation. The "Coinjock B" insulation is made from volcanic rock and recycled steel slag spun into thin individual fibers. This system has been UL tested for fire resistance. At the base of the wall will be a 6" thick, 24" high, concrete curb with a sloped top, to help protect against impact from forklifts. This panel will be used as a cooler wall where needed, avoiding the need for a liner panel.

*All members will be using insulated  
Panel. JE 5/31/01  
CGD 5/31/01*

13.00 ALTERNATES FOR SHELL/CORE.

13.10 Trailer/Additional Parking Paving Improvements:

Add heavy duty pavement and a 10' wide, 8" thick dolly strip for trailer storage. Provide an additional 106 car parking spaces along East property line. Six (6) single head, 1000 watt metal halide light poles are included to illuminate this area. Underground for storm water, concrete curbs, and earthwork.

(This alternate was accepted during the January 10, 2001, LLC meeting.)

Contract price is inclusive of this alternate.  
(# 13,351,931.00) Add: \$ 345,815.00 or \$0.79 psf  
DC 5/31/01

13.20 Alternate Floor Hardner: CGD 5/31/01

Provide a shake on floor hardener (3/4 #/sf) in lieu of lapidolith. Hardener to be a "natural" color as manufactured by Harcol, Master Builders, or equal.

Contract price does not include this alternate.  
Add: \$ 453,713.97 or \$1.04 psf  
DC 5/31/01  
CGD 5/31/01

## CERTIFICATE OF LIMITED WARRANTY

(Common Elements)

FCL BUILDERS, INC., an Illinois corporation ("Contractor"), warrants ("Contractor Warranties") the common elements at the development commonly known as Chicago International Produce Market, Chicago, Illinois (i) against "latent defects" arising out of faulty workmanship or materials (and not as a result of the Association's or Purchaser's use thereof); (ii) that the materials and equipment furnished shall be of good quality and new unless otherwise required or permitted by the Space Plan, Buildout Addendum or any Change Order; and (iii) that the work performed will be free from defects not inherent in the quality required or permitted. Work not conforming to the foregoing requirements, including substitutions not properly approved and authorized, may be considered defective. Contractor's Warranty excludes remedy for damage or defects caused by abuse, modifications not caused by Contractor, improper or insufficient maintenance, improper operation and normal wear and tear and normal usage. Contractor's sole obligation under this Certificate of Limited Warranty is limited to the repair or replacement, at Contractor's option, of the defect; provided, however, that if Contractor fails to repair or replace a defect required to be repaired or replaced under the terms of this Warranty after receipt of notice from the Association during the Warranty Period (as defined below) and a reasonable opportunity to cure, the Association shall be entitled to repair or replace such defect and bring an action against Contractor for the cost of such repair or replacement during the Warranty Period. In the event of a situation which is likely to cause imminent bodily injury or property damage, Purchaser may repair or replace such defect without advance notice to Contractor. All terms used herein shall have the meaning ascribed to them in that certain Condominium Purchase Agreement between CIPM, L.L.C., an Illinois limited liability company and FCL BUILDERS, INC dated January 24, 2001.

Within thirteen (13) months of the date of Closing of the Unit which, together with all other units that have theretofore closed, represents sixty-seven percent (67%) of the units in the Project, as determined by square footage (with regard to the Shell and Core issues), and within one (1) year after the date of Substantial Completion of the Buildout Work (with regard to all issues other than Shell and Core) (as applicable, the "Correction Period") any breach of Contractor Warranties is discovered, Contractor shall correct or cause its general contractor to correct, the defect promptly after receiving written notice of the breach from the Association, unless the condition was not caused by Contractor or anyone acting by or through Contractor, is not covered by this Certificate of Limited Warranty or the Association has previously given a written acceptance of the specific condition. The Association must give notice within a reasonable time after discovery of the condition. During the Correction Period, if the Association fails to notify Contractor and give Contractor an opportunity to make the correction, the Association waives the right to require correction and to make a claim for breach of warranty. In the event of a situation which is likely to cause imminent bodily injury or property damage, Purchaser may repair or replace such defect without advance notice to Contractor.

Notwithstanding any other term or condition contained in this Certificate of Limited Warranty, including, without limitation, the expiration of the Correction Period, the Contract or as may be provided by law, the Association must bring an action against Contractor for breach of Contractor Warranties within two (2) years from the time that the Association knew or should have known of the breach of Contractor Warranties, but in no event later than five (5) years from the delivery of this Certificate of Limited Warranty (the "Warranty Period"). The failure to bring an action against Contractor within said time period shall result in the Association's waiver of its right to make a claim for the breach of Contractor Warranties.

THIS LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF CONTRACTOR, EXCEPT AS EXPRESSLY SET FORTH IN SECTIONS 10 AND 17 OF THE CONTACT, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE), AND INURES ONLY TO THE BENEFIT OF THE CHICAGO INTERNATIONAL PRODUCE MARKET CONDOMINIUM ASSOCIATION ("ASSOCIATION") AND NOT TO ANY UNIT OWNER INDIVIDUALLY.

AS TO ANY PERSONAL PROPERTY, HEATING, VENTILATING AND COOLING EQUIPMENT, AND AS TO ANY CONSUMER PRODUCT (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL, STATE OR LOCAL LAWS, OR THEIR IMPLEMENTING REGULATIONS) WHICH MAY BE PART OF OR LOCATED IN THE COMMON ELEMENTS, CONTRACTOR NEITHER MAKES NOR ADOPTS AND SPECIFICALLY EXCLUDES, EXCEPT AS EXPRESSLY SET FORTH IN SECTIONS 10 AND 17 OF THE CONTRACT, ANY AND ALL EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

This Limited Warranty is subject to the following terms, conditions and exclusions, all of which are a part hereof.

1. **WARRANTY EXCLUSIONS.** The following exclusions and limitations apply to Contractor's limited warranty obligations:

- (a) This Limited Warranty is limited to the Common Elements and does not cover the Unit.
- (b) Nail or screw pops or cracks in the walls and ceilings do not result from faulty workmanship or defective materials but are the result of natural shrinkage and drying of materials, normal settlement, or other normal movement and are not covered by this Limited Warranty.
- (c) Warranty service is not available for and does not cover correction of the results of ordinary wear and tear, or damage due to misuse or neglect, negligence or failure to provide proper maintenance. This Limited Warranty does not extend to any item which has been modified or repaired by the Association or any Unit Owner, or any items which are installed or constructed pursuant to a separate contract or agreement between the Association or any Unit Owner and any party other than Contractor.
- (d) This Limited Warranty does not cover the Common Elements with respect to which Contractor has not received a contractor's or subcontractor's warranty, or with respect to which the applicable contractor's or subcontractor's warranty has expired, or any defect not covered by the applicable contractor's or subcontractor's warranty.
- (e) This Limited Warranty specifically excludes any and all secondary, incidental or consequential damages caused by any defect or breach of this Limited Warranty.
- (f) Cracks in concrete foundations, walks and drives and in mortar due to characteristics of expanding and contracting of concrete, the use of salt, improper clearing of snow and ice or setting of the soil on which they are laid.
- (g) Floor squeaks and gaps due to expansion, contraction or settling.
- (h) Brick discoloration and non-uniformity of appearance or natural imperfections of brick, stone or cleaning of rock face brick. Fading, variations in grain and color or discoloration of stained wood.
- (i) Insect damage, rodent damage, pest damage, animal damage.
- (j) Frozen pipes or sillcocks caused by failure to close vents in freezing weather or by failure to drain sillcocks and close shut-off valves (if sillcock is not freeze-proof type) or provide proper insulation and heat.

2. **MANUFACTURERS' WARRANTIES.** Personal property, furnishings, fixtures and equipment located in and constituting part of the Common Elements shall be supplied with manufacturers' instructions and warranties in accordance with Section 17 of the Contract. It is recommended that the manufacturers' instruction pamphlets be read and followed. Contractor is not a warrantor under, and does not adopt, any such manufacturers' warranties. In the event of defects in such products, the Association should contact the manufacturer directly. Contractor is not responsible for the performance of any manufacturer under any such manufacturer's warranty.

3. **OTHER TERMS.** No steps taken by Contractor to correct defects shall act to extend the scope or duration of this Limited Warranty beyond the Correction Period or Warranty Period, as applicable. No representative of Contractor has the authority to make verbal agreements with respect thereto. All items for correction must be in written form. Contractor shall not be obligated to remedy any defects where otherwise required pursuant to this Limited Warranty unless and until the Association notifies Contractor in writing of the defect and then only if such notification is made prior to the expiration of the Correction Period. This Limited Warranty shall be null and void as to any particular defect if the Association or any Unit Owner performs repairs to the Common Elements with respect to such defect without receiving the prior written consent of Contractor. This Limited Warranty is not assignable and any attempted assignment shall render it null and void.

4. **ASSOCIATION.** Contractor's obligations under this Limited Warranty are for the sole benefit of the Association and may be enforced or modified by the Association only and not by any Unit Owners individually or collectively.

5. **NOTICES.** Any notices hereunder shall be personally delivered or sent by certified U.S. mail, postage prepaid, return receipt requested, address as follows:

If to Contractor, then to: FCL Builders, Inc.  
1150 Spring Lake Drive  
Itasca, IL 60143  
ATTN: Carmen G. Dodaro, Executive Vice President

If to Association, then to:

Chicago International Produce Market Condominium Association

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Fax: ( ) -  
Attention: President

Any notice delivered as aforesaid shall be deemed received upon personal delivery and any notice mailed as aforesaid shall be deemed received three (3) business days after deposit in the United States mail. Notice of changes of address for receipt of notices shall be sent in the manner set forth in this Paragraph 5.

6. **ARCHITECT'S DECISION.** In the event of any dispute arising hereunder as to the existence of any defect, which dispute is not resolved by Contractor and Association, such dispute shall be submitted to and resolved by the architectural firm of Cornerstone Architects, Ltd. ("Architect"), whose decision shall be final and binding upon the parties.

Dated this 31 day of MAY, 2001.

**FCL BUILDERS, INC., an Illinois corporation**

By: ~~FE~~ Carmon G Dodaro  
Name: CARMON G DODARO  
Title: EXECUTIVE VICE PRESIDENT



*Fidel*  
*C.G.D.*  
 INITIAL HERE

**EXHIBIT F**

**Intentionally Omitted**

## **EXHIBIT G**

### **PERMITTED LIENS**

1. Liens or encumbrances against the Property:

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

2. Liens or encumbrances created in connection with the purchaser financing for sales of condominium units in the Project.

### EXHIBIT H-1 PROJECT BUDGET

8/2/2001

#### CORE AND SHELL BUDGET

REVISED BUDGET  
7/19/01

#### CONSTRUCTION COSTS

Construction Contract/ Shell and Core	\$14,163,818	
Construction Contract/TIF Eligible Activity	\$ 2,701,042	
<b>SUBTOTAL CONSTRUCTION COSTS</b>	<b>\$16,864,860</b>	<b>\$ 16,864,860</b>

#### DEVELOPMENT COSTS

Land Acquisition (Includes Due Diligence)	\$	6,250,775
Property Appraisals, Site Investigations, Land Planning, Topographic Surveys, Plats, Soil Borings, Geo Testing, Preliminary Civil Engineering, Zoning Verification	\$	284,965
Relocation/Removal of Water Main	\$	14,985
Environmental Assessment	\$	266,996
Environmental on Canal C	\$	50,030
Legal on Land Acquisition	\$	26,000
Legal on Wolcott Vacation	\$	12,190
Legal on Canal C	\$	10,000
Other Legal/ Consulting Fees	\$	536,267
City of Chicago Legal and Environmental	\$	57,993
Traffic Studies (Wolcott/Blue Island)	\$	21,000
Relocation of Existing Power Pole	\$	25,000
Taxes and Miscellaneous	\$	387,138
Project Contingency	\$	1,153,950
Carrying Costs	\$	2,659,235
Loan Fees (1%)	\$	250,893

<b>SUBTOTAL DEVELOPMENT COSTS</b>	<b>\$</b>	<b>12,007,407</b>
-----------------------------------	-----------	-------------------

CenterPoint Construction Management Overhead (3%)	\$	866,168
CenterPoint Profit (8%)	\$	2,379,075

<b>SUBTOTAL CORE AND SHELL BUDGET</b>	<b>\$</b>	<b>32,117,510</b>
---------------------------------------	-----------	-------------------

Demising Walls (Insulated Panels)	\$	1,571,114
-----------------------------------	----	-----------

<b>SUBTOTAL CORE AND SHELL AND DEMISING WALL</b>	<b>\$</b>	<b>33,688,624</b>
--	-----------	-------------------

#### **BUILDOUT IMPROVEMENTS BUDGET (per executed addendums)**

Shell Upgrades, Interior Buildout, Structural Modifications (Mezzanines)	\$	12,092,048
--	----	------------

CenterPoint Construction Management Overhead (3%)	\$	362,761
CenterPoint Profit (8%)	\$	998,365

<b>SUBTOTAL BUILDOUT IMPROVEMENTS BUDGET</b>	<b>\$</b>	<b>13,451,182</b>
--	-----------	-------------------

Subtotal Core and Shell and Demising Wall Budget	\$	33,688,624
Subtotal Buildout Improvements Budget	\$	13,451,182

<b>TOTAL PROJECT BUDGET</b>	<b>\$</b>	<b>47,139,816</b>
-----------------------------	-----------	-------------------



**CIPM, L.L.C.**  
**Redevelopment Agreement"**

**EXHIBIT "H-2-A"**  
**(MBE/WBE BUDGET)**

**CORE AND SHELL CONSTRUCTION**

<u>Core and Shell Construction:</u>	<u>Cost</u>
• Demolition	\$ 455,000
• Dynamic Compaction	39,936
• Seawall Repair	20,000
• Excavation	644,297
• Site Utilities	755,000
• Paving	513,561
• Fencing	102,500
• Landscaping	260,000
• Concrete Sealer	43,622
• Site Concrete	560,441
• Cast in Place Concrete	1,415,351
• Precast	1,424,239
• Masonry	40,000
• Structural Steel	1,650,000
• Carpentry	19,500
• Roofing	804,500
• Doors	14,000
• Overhead Doors	176,000
• Paint & Decorating	26,750
• Exterior Stain	86,023
• Dock Seals	124,200
• Gas Main	278,000
• Shell Plumbing	295,000
• Fire Protection	306,000
• Electrical	933,519
• Fire Alarm	40,000
• Wolcott & Blue Island Public Improvements	812,385
• Guard House	27,937
• Decorative Entrance	93,123
• Unsuitable Soils	200,000
• Riverwalk	155,950
• Items to be Let	<u>\$ 4,307,088*</u>
<b>Sub-Total:</b>	<b>\$ 16,623,922</b>
<b>Initial Project MBE Dollar Value:</b>	<b>MBE Total: \$ 4,155,981**</b>
<b>Initial Project WBE Dollar Value:</b>	<b>WBE Total: \$ 831,196**</b>

\* Whether future contracts let equal this value or not, the Developer is obligated to expend the required MBE / WBE dollar value noted above for the core and shell construction category.

\*\* The above MBE / WBE dollar value is an estimate. If the actual cost of the above applicable MBE / WBE activities increase, the associated MBE /WBE dollar value will increase correspondingly.

CIPM, L.L.C.  
Redevelopment Agreement"

EXHIBIT "H-2-B"  
(MBE/WBE BUDGET)

**TENANT BUILD OUT IMPROVEMENTS**

<u>Core and Shell Construction:</u>	<u>Cost</u>
• General Conditions	\$ 599,419
• Excavation	49,640
• Caulk Joints	76,059
• Cast-in-Place Concrete	617,180
• Precast Concrete	89,877
• Masonry	104,342
• Structural Steel	224,512
• Carpentry	87,310
• Insulated Panels	1,248,892
• Roofing	60,347
• Doors & Frames	66,722
• Overhead Doors	243,377
• Glazing and Storefront	16,916
• Drywall	230,433
• Acoustical Ceilings	33,539
• Floor Covering	65,564
• Paint & Decorating	67,903
• Dock Equipment	67,194
• Toilet Partitions and Accessories	15,259
• Elevator, Shaft, Pit and Pump	43,199
• HVAC	1,086,488
• Plumbing	894,846
• Fire Protection	112,604
• Electrical	1,276,400
• Fire Alarm (allowance)	50,000
• Items to be Let	<u>\$ 2,265,469*</u>
<b>Sub-Total:</b>	<b>\$ 9,693,491</b>
<b>Initial Project MBE Dollar Value:</b>	<b>MBE Total: \$ 2,423,373**</b>
<b>Initial Project WBE Dollar Value:</b>	<b>WBE Total: \$ 484,675**</b>

\* Whether future contracts let equal this value or not, the Developer is obligated to expend the required MBE / WBE dollar value noted above for the tenant build out improvements category.

\*\* The above MBE / WBE dollar value is an estimate. If the actual cost of the above applicable MBE / WBE activities increase, the associated MBE /WBE dollar value will increase correspondingly.