

## Contract Summary Sheet

**Contract (PO) Number:** 6629

**Specification Number:** 28253

**Name of Contractor:** MONROE CLINTON LLC

**City Department:** PLANNING & DEVELOPMENT

**Title of Contract:** REDEVELOPMENT AGREEMENT

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

\$9,750,000 00

**PO Start Date:** 10-30-00

**PO End Date:** 10-30-10

**Brief Description of Work:** REDEVELOPMENT AGREEMENT

**Procurement Services Contact Person:** THOMAS DZIEDZIC

**Vendor Number:** 50075111

**Submission Date:**

AUG 25 2004

**RDA**

00866230

7119/0140 34 001 Page 1 of 153  
2000-11-02 16:35:35  
Cook County Recorder 327.50



555 WEST MONROE STREET REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

MONROE/CLINTON, L.L.C.

WITH A LIMITED JOINDER BY

THE QUAKER OATS COMPANY

NOV 17 11 34

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

TABLE OF CONTENTS

	PAGE
SECTION 1. RECITALS . . . . .	4
SECTION 2. DEFINITIONS . . . . .	4
SECTION 3. THE PROJECT . . . . .	17
3.01 The Project. . . . .	17
3.02 Plans and Specifications. . . . .	17
3.03 Project Budgets . . . . .	18
3.04 Change Orders . . . . .	18
3.05 DPD Approval . . . . .	19
3.06 Other Approvals . . . . .	19
3.07 Progress Reports . . . . .	19
3.07A Inspecting Architect . . . . .	20
3.08 Barricades . . . . .	20
3.09 Signs, Public Relations, Landscaping. . . . .	20
3.10 Utility Connections . . . . .	21
3.11 Permit Fees . . . . .	21
SECTION 4. FINANCING . . . . .	21
4.01 Total Project Cost and Sources of Funds . . . . .	21
4.02 City Funds. . . . .	22
4.03 Requisition Form . . . . .	25
4.04 Treatment of Prior Expenditures . . . . .	25
4.05 Cost Overruns . . . . .	26
SECTION 5. CONDITIONS PRECEDENT . . . . .	26
5.01 Project Budget . . . . .	27
5.02 Plans and Specifications . . . . .	27
5.03 Other Governmental Approvals . . . . .	27
5.04 Financing . . . . .	27
5.05 Title . . . . .	27
5.06 Evidence of Clean Title . . . . .	28
5.07 Surveys . . . . .	28
5.08 Insurance . . . . .	28
5.09 Opinion of the Developer's Counsel . . . . .	28
5.10 Evidence of Prior Expenditures. . . . .	28
5.11 Financial Statements . . . . .	28
5.12 Documentation . . . . .	29
5.13 Environmental . . . . .	29
5.14 Corporate Documents . . . . .	29
5.15 Litigation . . . . .	29
5.16 Quaker Lease . . . . .	29
5.17 Payment and Performance Bonds . . . . .	30
5.18 Conditions Precedent to City Obligations . . . . .	30
5.19 Conditions Precedent to Payment of City Funds . . . . .	31

SECTION 6.	AGREEMENTS WITH CONTRACTORS . . . . .	33
6.01	Bid Requirement . . . . .	33
6.02	Construction Contracts . . . . .	34
6.03	Performance and Payment Bonds . . . . .	34
6.04	Employment Opportunity . . . . .	34
6.05	Other Provisions . . . . .	34
SECTION 7.	COMPLETION OF CONSTRUCTION . . . . .	34
7.01	Certificate of Completion of Construction . . . . .	34
7.02	Effect of Issuance of Certificate . . . . .	36
7.03	Failure to Complete . . . . .	37
7.04	Notice of Expiration of Term of Agreement . . . . .	38
SECTION 8.	COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER. . . . .	38
8.01	General . . . . .	38
8.02	Covenant to Redevelop . . . . .	41
8.03	Redevelopment Plan . . . . .	41
8.04	Use of City Funds . . . . .	41
8.05	Other Bonds . . . . .	41
8.06	Employment Opportunity . . . . .	42
8.07	Employment Profile . . . . .	42
8.08	Prevailing Wage . . . . .	42
8.09	Arms-Length Transactions . . . . .	42
8.10	Conflict of Interest . . . . .	42
8.11	Disclosure of Interest . . . . .	43
8.12	Financial Statements . . . . .	43
8.13	Insurance . . . . .	43
8.14	Non-Governmental Charges . . . . .	43
8.15	Developer's Liabilities . . . . .	44
8.16	Compliance with Laws . . . . .	44
8.17	Recording and Filing . . . . .	44
8.18	Real Estate Provisions . . . . .	44
8.19	Quaker Lease Representations, Warranties and Covenants . . . . .	46
8.20	Public Benefit . . . . .	48
8.21	Minimum Leasing Covenant . . . . .	48
8.22	Survival of Covenants . . . . .	49
SECTION 9.	COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY . . . . .	49
9.01	General Covenants . . . . .	49
9.02	Survival of Covenants . . . . .	49
SECTION 10.	DEVELOPER'S EMPLOYMENT OBLIGATIONS . . . . .	49
10.01	Employment Opportunity . . . . .	49
10.02	City Resident Construction Worker Employment Requirement . . . . .	51
10.03	The Developer's MBE/WBE Commitment . . . . .	53
SECTION 11.	ENVIRONMENTAL MATTERS . . . . .	55
SECTION 12.	INSURANCE . . . . .	56

SECTION 13.	INDEMNIFICATION . . . . .	61
SECTION 14.	MAINTAINING RECORDS/RIGHT TO INSPECT . . . . .	62
14.01	Books and Records . . . . .	62
14.02	Inspection Rights . . . . .	62
SECTION 15.	DEFAULT AND REMEDIES . . . . .	62
15.01	Developer Events of Default . . . . .	62
15.02	Curative Period . . . . .	64
15.03	City Remedies . . . . .	64
15.04	Quaker Default Doesn't Excuse Developer Performance . . . . .	67
15.05	Impact of Quaker Defaults on Developer Notes . . . . .	67
15.06	Remedies Not Penal In Nature . . . . .	68
15.07	Remedies Exercisable Against Current Owner . . . . .	68
SECTION 16.	MORTGAGING OF THE PROJECT . . . . .	68
SECTION 17.	NOTICE . . . . .	70
SECTION 18.	MISCELLANEOUS . . . . .	72
18.01	Amendment . . . . .	72
18.02	Entire Agreement . . . . .	72
18.03	Limitation of Liability . . . . .	72
18.04	Further Assurances . . . . .	72
18.05	Waiver . . . . .	72
18.06	Remedies Cumulative . . . . .	72
18.07	Disclaimer . . . . .	73
18.08	Headings . . . . .	73
18.09	Counterparts . . . . .	73
18.10	Severability . . . . .	73
18.11	Conflict . . . . .	73
18.12	Governing Law . . . . .	73
18.13	Form of Documents . . . . .	73
18.14	Approval . . . . .	73
18.15	Assignment . . . . .	73
18.16	Binding Effect . . . . .	74
18.17	Force Majeure . . . . .	74
18.18	Exhibits . . . . .	74
18.19	Business Economic Support Act . . . . .	74
18.20	Business Relationships . . . . .	74
18.21	No Third Party Beneficiary . . . . .	75
LIMITED JOINDER . . . . .		79

\*

## LIST OF EXHIBITS

Exhibit A	Redevelopment Area Legal Description
Exhibit B	Property Legal Description
Exhibit C	Quaker Job Training Program
Exhibit D	Canal/Congress Redevelopment Plan
Exhibit E	Approved Tenants List
Exhibit F-1	Big Developer Note
Exhibit F-2	Little Developer Note
Exhibit G	Building Construction Contract
Exhibit H-1	Building Project Budget
Exhibit H-2	Quaker Project Budget
Exhibit I	Form of Notice of Proposed Transfer/Refinancing
Exhibit J	Permitted Liens
Exhibit K	TIF-Funded Improvements
Exhibit L	Requisition Form
Exhibit M	Approved Prior Expenditures
Exhibit N	Opinion of Developer's Counsel
Exhibit O	Depiction of Public Park
Exhibit P-1	Building MBE/WBE Project Budget
Exhibit P-2	Quaker MBE/WBE Project Budget
Exhibit Q	Notice of Proposed Approved Successor

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

This Agreement was prepared by and  
after recording return to.  
Steven J. Holler, Esq  
City of Chicago Law Department  
Room 600  
121 North LaSalle Street  
Chicago, IL 60602

### 555 WEST MONROE STREET REDEVELOPMENT AGREEMENT

This 555 West Monroe Street Redevelopment Agreement (this "Agreement") is made as of October 30, 2000 by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Monroe/Clinton, L.L.C., an Illinois limited liability company (together with its permitted successors and permitted assigns under this Agreement, the "Developer"). The Quaker Oats Company, a New Jersey corporation ("Quaker"), has also executed the Limited Joinder attached to this Agreement for purposes of acknowledging its agreement to the obligations described herein and in such Limited Joinder.

#### 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 reduce or eliminate those conditions the existence of which qualify a redevelopment project area as a "blighted area" or a "conservation area" or a combination thereof 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 "City Council") adopted the following ordinances on November 12, 1998: (1) "An Ordinance of the City of Chicago, Illinois Authorizing Approval of a Tax Increment Redevelopment Plan for the Canal/Congress Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Canal/Congress Redevelopment Project Area as a Tax Increment Financing District"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Canal/Congress Redevelopment Project Area" (the "TIF Adoption Ordinance") (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project. The Developer will acquire certain property located within the Redevelopment Area at 555 West Monroe Street, Chicago, Illinois and legally described on Exhibit B hereto (the "Property"). The Developer will build on the Property a 17 story (including one floor for mechanical equipment) "Class A" office building having approximately 450,000 square feet of gross space (the "Building"). The Building will include a fitness center and cafeteria for the use of Quaker employees and other Building tenants' employees, as well as approximately 15,000 square feet of retail space on the ground floor. The Building will serve as Quaker's corporate headquarters.

The construction of the Building includes an office building component to be completed by the Developer and a Quaker improvements component to be completed by Quaker. The office building component includes the Developer's acquisition of the Property and the Developer's construction of all base building improvements, including, without limitation: the plumbing, electrical, HVAC, telecommunications and other building systems for the entire Building; the completion of the lobby, including "vanilla box" build-out of the first floor retail space, the fitness center, cafeteria and all exterior improvements; the construction of all Quaker tenant improvements (other than those

included within the Quaker Project) necessary to permit Quaker to take possession in accordance with the terms of the Quaker Lease (as defined below) (such acquisition and construction work being referred to hereinafter as the "Building Project"). The Quaker improvements component includes Quaker's construction of the Tenant Work (as defined in Section 4 of the Workletter attached as Exhibit C to the Quaker Lease) and includes costs for interior construction, fire protection, electrical and mechanical work, furniture and furniture installation, carpeting, telecommunications systems and architectural costs within the Quaker Premises (such construction work, the "Quaker Project").

The Developer and Quaker have entered into that certain Lease dated as of March 1, 2000, as amended by that certain Amendment to Office Lease by and between Quaker and the Developer dated April 24, 2000 and as further amended by that certain Letter Agreement from Quaker to the Developer and agreed to by the Developer dated June 19, 2000 (and as the same may be amended further as permitted under Section 8.19(a) and (f) of this Agreement and Section 2(a) and (f) of the Limited Joinder, the "Quaker Lease"), pursuant to which the Developer has leased the premises described therein (the "Quaker Premises") to Quaker for a period of ten (10) years, subject to the terms and conditions contained therein. The City's agreement to provide City Funds to the Developer and Quaker is conditioned upon Quaker's (a) relocation of its corporate headquarters from 321 North Clark Street and not less than 800 Full-Time Equivalent Employees to the Building by the Job Creation Date (as hereinafter defined), (b) lease of not less than 300,000 rentable square feet of the Building on the Job Creation Date, and (c) maintenance of Quaker's corporate headquarters and at least 800 Full-Time Equivalent Employees at the Building (provided, however, that after the Job Creation Date, up to 267 of such employees may be located at other locations within the City, as permitted under the definition of "Full-Time Equivalent Employee") at all times through the Tenth Anniversary Date, all subject to the terms and conditions set forth herein. In connection with such relocation, Quaker may also incur costs to train and retrain Quaker FTEs who will work at the Quaker Premises, which training and costs are described on Exhibit C hereto, as described in Section 4(b) of the Limited Joinder.

The completion of the Building Project and the Quaker Project and Quaker's agreement to Jobs Covenant defined in Section 4(a) of the Limited Joinder (collectively, 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 Canal/Congress Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") attached hereto as Exhibit D, as amended from time to time.

F. City Financing: The City agrees to use Available Incremental Taxes (as defined below) to (a) pay principal and interest on the Big Developer Note and the Little Developer Note, the proceeds of which are to be used to reimburse the Developer for Building TIF-Funded Costs, and (b) reimburse Quaker for the costs of Quaker TIF-Funded Costs (the City also having the option, pursuant to Section 4.02(c), to use other legally available funds to pay such Quaker TIF-Funded Costs), all pursuant to the terms and conditions of this Agreement.

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

#### SECTION 1. RECITALS

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

#### SECTION 2. DEFINITIONS

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

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer, Steven D. Fifield, CBRE or Quaker, as applicable.

"Approved Purchaser" shall mean: (i) any publicly traded real estate investment trust or any private real estate investment trust, foreign pension fund, foreign insurance company or privately held entity with net assets (including net assets of affiliated entities) in excess of \$250 million; (ii) any pension fund or investment fund subject to the requirements of ERISA, or any manager thereof; (iii) any health, welfare or retirement fund of any governmental institution or other entity which would be subject to ERISA but for an exemption in ERISA, or any manager thereof; (iv) any corporation, partnership or other entity that is subject

to periodic public financial reporting requirements under any state or federal laws governing securities, banking, or insurance or similar requirements requiring periodic public financial reporting to any governmental agency; (v) any public investment fund, private investment fund or similar entity, regulated by (or specifically exempt from regulation under) federal or state securities laws, whose invested equity funds, equity funds held pending investment or funds subject to capital calls exceed \$250 million, or any manager, general partner or managing member thereof; (vi) CBRE and any entity in which CBRE is the majority owner; (vii) subject to the limitation in Section 4.02(g), Quaker, and (viii) the lender providing the Lender Financing. Notwithstanding the foregoing, no person or entity shall be an Approved Purchaser if it (or its principal officers or directors) is in violation of any City laws.

"Approved Successor" shall mean any Quaker Affiliate, any entity with whom Quaker merges or consolidates or engages in any reorganization, or any entity succeeding to all or a majority interest in the business or assets (or both) of Quaker who, as of the date of such merger, consolidation or reorganization, employs at least 800 FTEs in corporate office jobs in accordance with the terms of this Agreement. In connection with any such merger, consolidation or reorganization, Quaker shall use reasonable efforts, subject to non-disclosure requirements under any applicable securities laws or confidentiality agreements related to such transaction, to deliver to the Commissioner of DPD, not less than 10 days after the public announcement of any such merger, consolidation or reorganization, a Notice of Proposed Approved Successor in the form of Exhibit Q, making the certifications contained therein. Failure to make such delivery will not prevent an otherwise approved successor from being deemed an Approved Successor provided that such delivery is promptly made upon Quaker's discovery of such failure.

"Approved Tenants" shall mean (a) with respect to office portion of the Building, any tenant acceptable to the Developer, and (b) with respect to the ground floor retail space, tenants on the list attached hereto as Exhibit E or otherwise approved in writing by DPD.

"Available Incremental Taxes" shall mean the Incremental Taxes attributable to increases in the equalized assessed value of the tax parcels comprising the Property legally described on Exhibit B only over the equalized assessed value for such tax parcels for the year 2000 (which will become available in calendar year 2001).

"Bad Year" shall mean, with (i) respect to the Developer, a Calculation Period during which the minimum leasing covenant

described in Section 8.21 is breached, and (ii) with respect to Quaker, a Calculation Period during which the job retention requirement included in Section 4(a)(ii) or Section 4(a)(iii) of the Limited Joinder is breached.

"Big Developer Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (555 West Monroe Street Project-Quaker Project) to be in the form attached hereto as Exhibit F-1, in the maximum original principal amount of \$5,750,000, to be issued by the City to the Developer on the Developer Note Issue Date.

"Big Developer Note Recapture Amount" shall mean an amount equal to the excess, if any, of (A) the aggregate City Funds paid with respect to the Big Developer Note, over (B) the Defaulted Note Amount.

"Building Certificate" shall mean the Building Certificate described in Section 7.01(a) hereof for the Building Project.

"Building Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit G, to be entered into between the Developer and the Building General Contractor relating to the construction of the Building Project.

"Building General Contractor" shall mean Power Contracting and Engineering Corp., a Delaware corporation, or such other general contractor as shall be designated by the Developer and shall be reasonably acceptable to DPD.

"Building Plans and Specifications" shall mean the final construction documents containing a site plan and working drawings and specifications for the Building Project.

"Building Project Budget" shall mean the budget attached hereto as Exhibit H-1, showing the total cost of the Building Project by line item, furnished by the Developer to DPD, in accordance with Section 3.03 hereof. Notwithstanding the preceding sentence and the inclusion of line items in the Building Project Budget and Building MBE/WBE Project Budget, the costs of completing tenant improvement work for tenants in the Building other than Quaker and the "vanilla-box" build-out of first-floor retail tenant space shall not be construed to be included in the "Building Project" definition.

"Building TIF-Funded Costs" shall mean costs for those portions of the Building Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Plan, (iii) are

set forth in the Building Project Budget, and (iv) the City has agreed to pay for out of the City Funds, in accordance with and subject to the terms of this Agreement.

"Calculation Period" shall mean any rolling twelve (12) month period (e.g., from October 1<sup>st</sup> of one calendar year through September 30<sup>th</sup> of the following calendar year) after the Job Creation Date through and including the Tenth Anniversary Date.

"CBRE" shall mean CB Richard Ellis Strategic Partners, L.P., or any single asset entity 100% owned by CB Richard Ellis Strategic Partners, L.P..

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

"City Fee" shall mean the fee described in Section 4.04(b) hereof.

"City Funds" shall mean the funds described in Section 4.02(b) hereof, and any other legally available funds described in Section 4.02(c) hereof, as the same may be reduced or terminated pursuant to this Agreement.

"Closing Date" shall mean the date of execution and delivery of this Agreement and the Limited Joinder by all parties hereto and thereto.

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

"Defaulted Note Amount" shall mean, with respect to the Big Developer Note and the Little Developer Note, as applicable, an amount equal to the sum of (i) the Defaulted Reduced Principal Amount, plus (ii) 9% simple interest per annum on the Defaulted Reduced Principal Amount from the Developer Note Issue Date through and including the day before the First Bad Day. For illustrative purposes, if the Bad Year giving rise to a reduction in the Big Developer Note occurs during the 25th through 36th months, the Defaulted Note Amount would be \$1,357,000 (\$1,150,000 + [2 x (\$1,150,000 x .09)]). If a Bad Year giving rise to reduction in the Little Developer Note occurs during such months, the Defaulted Note Amount would be \$944,000 (\$800,000 plus [2 x (\$800,000 x .09)]).

"Defaulted Reduced Principal Amount" shall mean (a) with respect to the Big Developer Note, the product of (i) \$5,750,000, times (ii) a fraction, the numerator of which is the number of months from and including the month in which the Job Creation Date falls, through the month immediately prior to the month in which the First Bad Day falls, and the denominator of which is 120, and (b) with respect to the Little Developer Note, the product of (1) \$4,000,000, times (ii) a fraction, the numerator of which is the number of months from and including the month in which the Job Creation Date falls, through the month immediately prior to the month in which the First Bad Day falls, and the denominator of which is 120. If the principal amount of the Little Developer Note is reduced to the Little Developer Note Reduced Principal Amount, such reduced amount, rather than \$4,000,000, shall be used in the above formula.

"Developer" shall mean Monroe/Clinton, L.L.C., an Illinois limited liability company, and its permitted successors and permitted assigns under this Agreement.

"Developer Equity" shall mean contributed and unreturned capital contributions funded by Steven D. Fifield (and his family members and family trusts, his employees, and such other persons or entities as may be acceptable to the Commissioner of DPD, in his sole discretion, as evidenced by the Commissioner's prior written approval, in connection with a Permitted Transfer) and CBRE to the Developer in connection with the acquisition and construction of the Project. "Developer Equity" will also include all amounts disbursed by CBRE pursuant to CBRE's construction loan if (and only if) such CBRE construction loan is converted into an additional ownership interest in accordance with the Developer's operating agreement and, in connection with such conversion, all applicable real estate transfer taxes, if any, are paid. If such conversion occurs, the date of each CBRE construction loan disbursement shall be deemed to be the date of a Developer Equity contribution.

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

"Developer Note Issue Date" shall mean the date on which all of the following shall have been and shall remain satisfied: (a) the City shall have issued the Building Certificate; (b) the City shall have issued the Quaker Preliminary Certificate; and (c) Quaker shall have, on or before the Job Creation Date, initially satisfied the job creation requirement in Section 4(a)(i) of the Limited Joinder and shall be leasing at least 300,000 square feet of the Building.

"Developer Reimbursement Event" shall mean an act or omission of the Developer or its Affiliates, or CBRE or its Affiliates resulting in a Developer Event of Default relating to: (i) a material and intentional misrepresentation to the City related to the Project, (ii) a fraudulent act or omission related to the Project, (iii) a material and intentional misappropriation of funds from the uses set forth in the Building Project Budget resulting in the receipt by the Developer, CBRE or their Affiliates of additional fees, commissions or compensation not disclosed in such Project Budget or otherwise approved in writing by DPD; (iv) any intentional or material waste to the Property or any portion thereof; (v) use of City Funds for payment or reimbursement of amounts other than the Building TIF-Funded Costs identified on Exhibit K or for repayment of principal and interest on the City Notes; (vi) a breach of the sale, refinancing, assignment and other provisions in Section 8.01(j), (k) or (m) or Section 18.15; (vii) any material breach of Developer's representations, warranties or covenants regarding environmental matters contained in this Agreement, as applicable; (viii) the occurrence of any material uninsured casualty event to the Building for which the landlord under the Quaker Lease is required to carry insurance, unless the portion of the Building damaged by such event is restored within a reasonable period of time; (ix) the material misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Property; (x) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by the Developer; (xi) any receipt of City Funds after the occurrence of a Developer Event of Default, or the occurrence of an event which, if prompt notice of such event had been given, would have entitled the City to withhold, suspend, reduce or terminate the disbursement of such City Funds under this Agreement, or (xii) a breach of the lease amendment and financial arrangement restrictions in Sections 8.19(b) or (f) of this Agreement (provided, however, that the execution of a Material Amendment described in clause (a) of the definition thereof to which DPD does not consent shall not be a Developer Reimbursement Event but shall entitle the City to exercise the rights described in Section 8.19(f)).

"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.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"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, or such other financial statements as may be reasonably acceptable to DPD.

"First Bad Day" shall mean the first day of the Bad Year.

"Full-Time Equivalent Employee" or "FTE" shall mean a Quaker employee (or, with respect to job shares or similar work arrangements, such employees taken collectively) who is employed at least 35 hours per week at the Building during the applicable month. Notwithstanding the preceding sentence (but subject to the 35 hour per week requirement and the requirements of Section 4(a)(iii) of the Limited Joinder), after the Job Creation Date, a "FTE" will also mean and include (a) a current or former Quaker employee who worked at the Building for Quaker or in a corporate office job at a JV who is subsequently transferred to a corporate office job at a JV either in the Building or at another location or locations within the City, (b) a current or former Quaker employee who worked at 321 N. Clark Street prior to the Job Creation Date who is subsequently transferred to a corporate office job at a JV located either in the Building or at another location or locations within the City, and (c) any additional corporate office jobs created and maintained by a JV either at the Building or at another location or locations within the City. A FTE shall not mean or include, however, jobs of former Quaker employees transferred in connection with a sale or divestiture of more than a 66 2/3% ownership interest of a division or unit of Quaker even if such employees continue to work in the Building (other than as part of a transaction described in the definition of "Approved Successor").

"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 TIF Fund to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Job Creation Date" shall mean the date Quaker commences operations at the Quaker Premises, which shall in no event be later than September 1, 2002, subject to delays by the Developer in delivering the Quaker Premises to Quaker for its tenant improvement work.

"JV" shall mean a joint venture entity entered into by Quaker in which Quaker has at least a 33 1/3% ownership interest.

"Lender Financing" shall mean funds borrowed by the Developer from Key Bank or any other lender reasonably acceptable to DPD to pay for costs of the Building Project, in the amount set forth in Section 4.01 hereof.

"Little Developer Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (555 West Monroe Street Project-Quaker Project) to be in the form attached hereto as Exhibit F-2, in the maximum principal amount of \$4,000,000, to be issued by the City to the Developer on the Developer Note Issue Date.

"Little Developer Note Recapture Amount" shall mean an amount equal to the excess, if any, of (A) the aggregate City Funds paid with respect to the Little Developer Note, over (B) the Defaulted Note Amount.

"Little Developer Note Reduced Principal Amount" shall mean the amount to which the principal amount of the Little Developer Note will be reduced if the Developer receives Net Transfer Proceeds in excess of the Minimum Return Amount. Such reduced principal amount shall be: (a) if the Net Transfer Proceeds are received prior to the first anniversary of the Developer Note Issue Date, an amount equal to [\$4,000,000 - 50% of the Net Transfer

Proceeds in excess of the Minimum Return Amount], provided, however, that such principal amount shall not be reduced to below \$2,000,000; and (b) if the Net Transfer Proceeds are received after the first anniversary of the Developer Note Issue Date but before the second anniversary thereof, an amount equal to [\$4,000,000 - 25% of the Net Transfer Proceeds in excess of the Minimum Return Amount], provided, however, that such principal amount shall not be reduced to below \$3,000,000. If a Transfer or refinancing occurs thereafter, there shall be no reduction in the principal amount of the Little Developer Note. For illustrative purposes, if the Developer receives Net Transfer Proceeds in excess of the Minimum Return Amount of \$1,000,000 during the first year after the Developer Note Issue Date, the Little Developer Note Reduced Principal Amount would be \$3,500,000 [\$4,000,000 - (50% x \$1,000,000)].

"Material Amendment" shall mean an amendment (other than as described in the last sentence of this paragraph) of the Quaker Lease the net effect of which is to directly or indirectly do any of the following: (a) materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or other monetary amounts payable (or monetary credits) under the Quaker Lease, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under the Quaker Lease of the amendment; (b) shorten the initial 10-year term of the Quaker Lease or grants additional early termination rights that, if exercised, would shorten the initial 10-year term of the Quaker Lease; (c) change the "Excess Rent" or "excess value" provisions in Section 14.B of the Quaker Lease; or (d) directly or indirectly amend Section 44 of the Quaker Lease. Reductions or expansions of space pursuant to the express expansion or contraction rights granted in the Quaker Lease in effect as of the date hereof shall not constitute Material Amendments.

"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.

"Minimum Return Amount" means an amount equal to the product of (a) 13.5%, times (b) the actual Building Project costs.

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

"Net Transfer Proceeds" means (a) the gross proceeds arising from a Transfer or refinancing of the Property, minus (b) (i)

repayment of the then-existing Lender Financing, (ii) the return of any unreturned Developer Equity, and (iii) payment of third party customary transaction costs associated with such Transfer or refinancing. If the Transfer is a Transfer of a direct or indirect ownership interest of at least 51% but less than 100% of the Developer's interest in the Property, the Minimum Return Amount shall be multiplied by the majority percentage interest so transferred to determine the Minimum Return Amount applicable to such a partial transfer. Upon any subsequent partial Transfer(s), a Net Transfer Proceeds calculation shall again be made (after giving effect to the prior Net Transfer Proceeds calculation(s)) based on such partial Transfer(s).

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

"Notice of Proposed Transfer/Refinancing" shall mean a written notice delivered by the Developer to the City in the form of Exhibit I, with all certificates and attachments completed, and a copy of the contract of sale or refinancing commitment letter.

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

"Permitted Transfer" shall mean (a) a transfer by Steven D. Fifield of any ownership or economic interest held in the Developer (or any upper-tier owner of the Developer) to (i) a family member or a personal trust of Steven D. Fifield or such family member, of which Steven D. Fifield is the trustee, for estate planning purposes, (a "Fifield Trust"), (ii) an employee of Fifield Realty Company or any entity controlled by Steven D. Fifield, or (iii) such other person or entity as may be acceptable to the Commissioner of DPD, in his sole discretion, as evidenced by the Commissioner's prior written approval. Notwithstanding the foregoing, no transfer shall be a Permitted Transfer if, after giving effect to such transfer, either (x) Steven D. Fifield (or a Fifield Trust) is not a managing member of the Developer, unless CBRE has exercised its rights to replace Mr. Fifield as such managing member under the terms of the Developer's operating agreement and itself become the managing member, or (y) Steven D. Fifield and any Fifield Trusts have invested, in aggregate, less than \$1,501,000 of the \$3,000,000 in Developer Equity not provided by CBRE (or, if such \$3,000,000 in Developer Equity should be increased, less than 51% of any such greater amount), or (z) such transfer directly or indirectly results in Steven D. Fifield (or his family members, or any Fifield Trust) receiving a greater rate

of return, priority of distribution or economic benefit with respect to the retained Developer Equity than the transferee will receive with respect to the interest Transferred. The conversion of CBRE's construction loan to an increased equity interest in the Developer shall also be deemed a Permitted Transfer.

"Planned Development" shall mean that certain Planned Development No. \_\_\_\_\_ approved by the City Council of the City applicable to the Property and certain other real property.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.04(a) hereof.

"Quaker Construction Contract" shall mean the construction contract to be entered into between Quaker and the Quaker General Contractor relating to the construction of the Quaker Project.

"Quaker Equity" shall mean funds of Quaker available for the Quaker Project, in the amount set forth in Section 4.01(b) hereof, which amount may be increased pursuant to Section 4.05.

"Quaker Event of Default" shall have the meaning set forth in Section 7 of the Limited Joinder.

"Quaker Final Certificate" shall mean the Certificate described in the second paragraph of Section 7.01(b) hereof for the Quaker Project.

"Quaker General Contractor" shall mean the general contractor under the Quaker Construction Contract.

"Quaker Plans and Specifications" shall mean the final construction documents containing working drawings and specifications for the Quaker Project.

"Quaker Preliminary Certificate" shall mean the Certificate described in the first paragraph of Section 7.01(b) hereof for the Quaker Project.

"Quaker Project Budget" shall mean the budget attached hereto as Exhibit H-2, showing the total cost of the Quaker Project by line item, or such other budget as DPD shall approve, in its reasonable discretion, in accordance with Section 3.04 hereof.

"Quaker Reimbursement Event" shall mean an act or omission of Quaker resulting in a Quaker Event of Default and relating to: (i) a material and intentional misrepresentation to the City related to the Project, (ii) a fraudulent act or omission related to the

Project, (iii) use of City Funds for payment or reimbursement of amounts other than the Quaker TIF-Funded Costs identified on Exhibit K; (iv) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by Quaker; (v) any receipt of City Funds (or the benefit of such City Funds pursuant to the Quaker Lease) after the occurrence of a Quaker Event of Default or the occurrence of an event which, if prompt notice of such event had been given, would have entitled the City to withhold, suspend, reduce or terminate the disbursement of City Funds under this Agreement or the Limited Joinder, (vi) a breach of the lease amendment and financial arrangement restrictions in Sections 2(b) or (f) of the Limited Joinder (provided, however, that the execution of a Material Amendment described in clause (a) of the definition thereof to which DPD does not consent shall not be a Quaker Reimbursement Event but shall entitle the City to exercise the rights described in Section 2(f) of the Limited Joinder) , or (vii) a breach of the excess rent and excess consideration notice requirement in Section 2(e)(i) of the Limited Joinder. Except for Quaker Reimbursement Events described in clauses (i), (ii) and (iv) above, the occurrence of a Quaker Reimbursement Event will in no event require the Developer to repay City Funds received by the Developer under the Little Developer Note.

"Quaker TIF-Funded Costs" shall mean those costs incurred by Quaker which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Plan, (iii) relate to eligible job training and/or day care costs, and (iv) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement.

"Quaker TIF-Funded Costs Reimbursement Amount" shall mean an amount equal to the product of (i) the amount of City Funds paid to Quaker for Quaker TIF-Funded Costs, times (ii) a fraction, the numerator of which is the number of months from and including the month in which the First Bad Day falls, through the applicable Tenth Anniversary Date and the denominator of which is 120. For illustrative purposes, if the Bad Year occurs during the 25th through 36th months after the Developer Note Issue Date, and Quaker has been paid \$1,000,000 Quaker TIF-Funded Costs, the Quaker TIF-Funded Costs Reimbursement Amount would be \$800,000 ( $\$1,000,000 \times 96/120$ ).

"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 Plan or otherwise referenced in the Plan.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City, prepared by a surveyor registered in the State of Illinois, certified to the City, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency.

"Tenth Anniversary Date" shall mean with respect to the Developer's minimum leasing covenant under Section 8.21 and Quaker's Jobs Covenant, the tenth anniversary of the Job Creation Date.

"Term of the Agreement" shall mean the period of time commencing on the execution of this Agreement and ending on the Tenth Anniversary Date.

"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.

"TIF-Funded Costs" shall mean Building TIF-Funded Costs and/or Quaker TIF-Funded Costs.

"Title Company" shall mean Chicago Title Insurance Company, or such other reputable title company as may be reasonably acceptable to the City.

"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.

"Transfer" shall mean any direct or indirect sale, transfer, conveyance, assignment, lease or other disposition of the Property, or any portion thereof, or any interest or estate therein, or any direct or indirect sale, transfer, assignment or other disposition of any ownership interest in the Developer or any upper-tier owner of the Developer that has the practical effect of transferring a 51% or more ownership interest in or control of the Property.

"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.

(a) The Building Project. With respect to the Building Project, the Developer shall, pursuant to the Building Plans and Specifications and the Quaker Lease, and subject to the provisions of Section 18.17 hereof, (i) commence construction of the Building Project no later than January 31, 2001, and (ii) complete construction of the Building Project no later than August 31, 2002.

(b) The Quaker Project. With respect to the Quaker Project, Quaker shall, pursuant to the Quaker Plans and Specifications and the Quaker Lease, and subject to the provisions of Section 18.17 hereof and further subject to delays by the Developer in delivering the Quaker Premises to Quaker by the date set forth in the Quaker Lease in order to permit Quaker to commence construction of the Quaker Project, (i) substantially complete construction of the Quaker Project no later than August 31, 2002, (ii) commence business operations at the Quaker Premises, with not less than 300,000 square feet leased and not less than 800 Full-Time Equivalent Employees at the Quaker Premises, no later than September 1, 2002, and (iii) complete the Quaker Project by December 31, 2002.

3.02 Plans and Specifications. The Developer has delivered the Building Plans and Specifications to DPD, and DPD has approved same. Prior to commencing the Quaker Project, Quaker will also deliver the Quaker Plans and Specifications to DPD. After DPD's initial approval of the Building Plans and Specifications, subsequent proposed changes to the Building Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof and for such approval, if any, required under Section 3.04. All such plans and specifications shall at all times conform to the Redevelopment Plan attached as Exhibit D and all applicable federal, state and local laws, ordinances and regulations. The Developer and Quaker shall submit all necessary documents to such City departments and other governmental authorities as may be necessary to acquire building permits and other required approvals for the Building Project and the Quaker Project, respectively.

### 3.03 Project Budgets.

(a) Building Project Budget. The Developer has furnished to DPD, and DPD has approved, the Building Project Budget attached as Exhibit H-1 showing total costs in an amount not less than Eighty-Nine Million Four Hundred Ninety Thousand Eighty-Four and No/100 Dollars (\$89,490,084).

The Developer hereby certifies to the City that the Lender Financing described in Section 4.01 hereof, together with the funds to be disbursed by CBRE, the Developer and Steve D. Fifield, shall be sufficient to complete the Building Project.

(b) Quaker Project Budget. Quaker has furnished to DPD, and DPD has approved, a preliminary Quaker Project Budget showing total costs not less than Twenty Nine Million One Hundred Eighty-Four Thousand and No/100 Dollars (\$29,184,000), which amount includes a tenant improvement allowance of Fifteen Million One Hundred Eighty Thousand Dollars (\$15,180,000) that is also included in the Building Project Budget and will be paid to Quaker by the Developer. Quaker hereby certifies to the City that such funds and the Quaker Equity described in Section 4.01 hereof shall be sufficient to complete the Quaker Project.

(c) Material Inducement. The Developer acknowledges and agrees that the costs identified in the Building Project Budget were a material inducement to the City's agreement to issue and make payments with respect to the Little Developer Note. In the event that actual Building Project costs are less than the Building Project Budget, the original principal amount of the Little Developer Note shall be reduced as described in Section 4.02(b).

(d) Changes in Project Budgets. The Developer and Quaker, as applicable, shall promptly deliver to DPD certified copies of any Change Orders with respect to the Building Project Budget and the Quaker Project Budget, respectively. Only Change Orders described in Section 3.04 will be subject to DPD's approval.

3.04 Change Orders. Any Change Orders that individually or in aggregate (a) permanently decrease the Building Project Budget by more than two percent (2%) percent, (b) reduce the gross square footage of the Building by more than 10,000 square feet, or (c) change the basic use of the Building must be submitted by the Developer to DPD for DPD's prior written approval. As a condition to granting written approval for a decrease described in clause (a), DPD shall require the reduction described in Section 4.02(b). DPD shall approve or disapprove (with a brief written explanation given of any disapproval) such proposed Change Order within ten

(10) business days' of its receipt thereof. Failure to approve such proposed Change Order within such time period shall be deemed to be a disapproval. Neither the Developer nor Quaker shall authorize nor permit the performance of any work relating to Change Order described in the preceding clauses (a), (b) or (c) or the furnishing of materials in connection therewith prior to the receipt of DPD's written approval. The Building Construction Contract and each contract between the Building 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 payable pursuant to this Agreement or provide any other additional financial assistance. DPD shall be notified in writing of all other Change Orders as part of the progress reports submitted by the Developer and Quaker pursuant to Section 3.07.

3.05. DPD Approval. Any approval granted by DPD of the Building Plans and Specifications, the Quaker Plans and Specifications and any 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 it constitute approval of the quality, structural soundness or safety of any portion of the Building, the Property or any portion of 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 and Quaker's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Neither the Developer nor Quaker shall commence construction of their respective portions of the Project until it has obtained all necessary permits and approvals and, with respect to the Developer, proof of the Developer's bonding with respect to any work in the public way.

3.07 Progress Reports. The Developer and Quaker shall each provide DPD with written monthly progress reports detailing the status of their respective portions of the Project, including a revised, extended completion date, if necessary (with any extended completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.05). The Developer shall provide DPD with copies of all draw request packages relating to the construction of the Building Project. The Developer shall also provide DPD's monitoring staff with monthly documentation including, without limitation, a current subcontractor's activity report, a contractor's certification concerning labor standards and prevailing wage requirements, a monthly MBE/WBE utilization report

and certified payroll records. Beginning with the first month after commencement of construction of the Quaker Project, Quaker shall provide the City with monthly progress reports relating to the construction of the Quaker Project, which Quaker intends to fund without lender financing, which shall describe (i) the approximate percentage of the Quaker Project completed to date, (ii) a comparison of the portion completed to the current Quaker Project schedule, and (iii) the dollar amount expended to date for the Quaker Project in comparison to the Quaker Project Budget. When construction of the Building Project is approximately 25%, 50%, 70% and 100% complete, and when construction of the Quaker Project is approximately 25%, 50%, 70% and 100% complete, the Developer and Quaker, as applicable, shall also provide DPD with reports summarizing the status of such party's own MBE/WBE utilization, City resident hiring and the payment of prevailing wages, with a plan to address any shortfall, if necessary.

3.07A Inspecting Architect. With respect to the Building Project, the inspecting architect for the lender providing the Lender Financing, and with respect to the Quaker Project, such person as Quaker may designate (which may be Quaker's architect for the Quaker Project), shall also serve as the inspecting architect for the City. Such inspecting architects shall perform periodic inspections with respect to the Building Project and the Quaker Project, as applicable, and shall provide certifications with respect thereto to DPD, including, without limitation, in connection with the City's issuance of the Building Certificate and the Quaker Preliminary Certificate and the Quaker Final Certificate. The Developer and Quaker, as applicable, shall pay any amounts payable to such inspecting architects for their services to the City under this Section 3.07A.

3.08 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. DPD shall approve or disapprove (with a brief written explanation given of any disapproval) such proposed materials within ten (10) business days' of its receipt thereof. Failure to approve such proposed Change Order within such time period shall be deemed to be a disapproval.

3.09 Signs, Public Relations, Landscaping. 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 in part 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, Quaker and the Project in the City's promotional literature and communications. After its initial approval of the signage disclosed in the Building Plans and Specifications and the Quaker Plans and Specifications, DPD retains the right to approve any material changes in the maintenance, appearance, color scheme, painting, nature, type, content and design of all signage on the Building and all landscaping on the Property. DPD shall approve or disapprove (with a brief written explanation given of any disapproval) such proposed materials within ten (10) business days' of its receipt thereof. Failure to approve such proposed Change Order within such time period shall be deemed to be a disapproval.

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

3.11 Permit Fees. In connection with the Project, the Developer and Quaker 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.

(a) Building Project. The cost of the Building Project is estimated to be \$89,490,084 to be applied in the manner set forth in the Building Project Budget. Such costs shall be initially funded from the following sources:

Developer Equity	\$ 3,000,000
Lender Financing	\$ 62,890,084
CBRE Financing	\$ 23,600,000
<b>ESTIMATED TOTAL</b>	<b>\$ 89,490,084</b>

(b) Quaker Project. The cost of the Quaker Project is estimated to be \$29,184,000 to be applied in the manner set forth in the Quaker Project Budget. Such costs (exclusive of the \$15,180,000 improvement allowance to be funded by the Developer as

part of the Building Project Budget) shall be funded entirely from Quaker Equity

#### 4.02 City Funds.

(a) Uses of City Funds. The principal amount of the Big Developer Note and the Little Developer Note shall be in amounts equal to the costs of the Building TIF-Funded Costs which have been incurred by the Developer and are to be reimbursed by the City, subject to the provisions hereof. No note will be issued to reimburse Quaker for its Quaker TIF-Funded costs, if any. Exhibit K sets forth, by line item, the eligible Building TIF-Funded Costs and the Quaker TIF-Funded Costs, and the maximum amount of costs that may be reimbursed from City Funds (as defined in Section 4.02(b) below) for each line item therein, 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. Reimbursement for the cost of the Building TIF-Funded Costs will be in the form of annual payments (or more frequently, as determined by DPD) of principal and interest on the Big Developer Note and the Little Developer Note pursuant to the Developer's submission of a Requisition Form in accordance with Section 4.03 and the satisfaction of all conditions precedent to payment set forth in this Agreement and, with respect to the Big Developer Note, the Limited Joinder. Reimbursement of Quaker TIF-Funded Costs will be in the form of annual payments pursuant to Quaker's submission of a Requisition Form in accordance with Section 4.03 and the satisfaction of all applicable conditions precedent to payment set forth in this Agreement and the Limited Joinder.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.02, Section 4.03, Section 5 and Section 8.05 hereof, the City hereby agrees to reserve City funds from the sources and in the amounts described directly below (the "City Funds") to reimburse the Developer and Quaker for the costs of their respective TIF-Funded Costs:

#### BUILDING TIF-FUNDED COSTS

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes (Big Developer Note)	\$5,750,000*
Available Incremental Taxes (Little Developer Note)	\$4,000,000*

\*Plus simple interest on the principal amount from time to time outstanding under the Big Developer Note and the Little Developer Note at the rate of nine percent (9%) per annum, subject to the terms and conditions of this Agreement and such notes.

Notwithstanding the Maximum Amount set forth above, the original principal amount of the Little Developer Note shall be an amount not to exceed the lesser of (a) \$4,000,000, (b) Four and 51/100 percent (4.51%) of the actual total Building Project costs, as set forth in the final Building Project Budget.

#### QUAKER TIF-FUNDED COSTS

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes or other legally available funds of the City	\$1,250,000

No interest shall accrue on such amount. Furthermore, Quaker's right to payment of the Quaker TIF-Funded Costs is subordinated as described in Section 4.02(c) below.

(c) Allocation of Available Incremental Taxes. The Developer and Quaker agree that the Available Incremental Taxes shall, as between the Developer and Quaker, be allocated as follows. Subject to Section 4.04(b), and until the Big Developer Note has been paid in full, the City will use 75% of each year's Available Incremental Taxes to make payments with respect to the Big Developer Note and 25% of each year's Available Incremental Taxes to make payments with respect to the Little Developer Note, subject to the applicable terms and conditions of such notes. After the Big Developer Note has been paid in full, the City shall use 100% of the Available Incremental Taxes to make payments with respect to the Little Developer Note.

Until both the Big Developer Note and the Little Developer Note have been fully repaid, no Available Incremental Taxes will be used to make payments for Quaker TIF-Funded Costs. After such full payment, and assuming that Quaker is otherwise entitled to payment, the City shall use 100% of the Available Incremental Taxes to pay for the Quaker TIF-Funded Costs. If Quaker has submitted a Requisition Form with respect to all or a portion of the Quaker TIF-Funded Costs and is entitled to payment for such Quaker TIF-Funded Costs prior to the full payment of both the Big Developer Note and the Little Developer Note, then the City agrees to investigate whether there are other sources of

uncommitted legally available funds (including uncommitted Incremental Taxes) available to the City to make payment for such Quaker TIF-Funded Costs and, if such investigation determines that there are other uncommitted legally available funds, the City agrees to use such other uncommitted legally available funds to pay such Quaker TIF-Funded Costs. The determination of whether any other legally available funds exist and are "uncommitted" shall be made by the City in its sole discretion.

(d) Payment of City Fee a Condition Precedent. The Developer and Quaker further acknowledge and agree that the City's obligation to make payments of principal and interest on the Big Developer Note and the Little Developer Note and reimbursement for Quaker TIF-Funded Costs during the Term of this Agreement for any Building TIF-Funded Costs and any Quaker TIF-Funded Costs, as applicable, is contingent upon the City being paid any City Fee due and payable under Section 4.04(b) hereof and the City's reimbursement from Available Incremental Taxes for the amount previously disbursed by the City for any TIF-Funded Costs paid directly by the City.

(e) Possible Reduction in Little Developer Note. The City may reduce the principal amount of the Little Developer Note to the Little Developer Note Reduced Principal Amount if the Developer realizes Net Transfer Proceeds in an amount greater than the Minimum Return Amount. The City's rights under this Section 4.02(e) are in addition to the Transfer and refinancing restrictions contained herein and whatever remedies may be available against the Developer for violations of such restrictions.

(f) Credit Against Big Developer Note For Excess Rent. In the event that Quaker receives any net Excess Rent (as defined in Section 14.B of the Quaker Lease) in connection with a subletting or net "excess of the value of the consideration" (as described in Section 14.B of the Quaker Lease or otherwise) in connection with an assignment permitted pursuant to the Quaker Lease (after taking into account the rent and other direct leasing costs that may be incurred by Quaker if such subletting is done in connection with the relocation of FTEs from the Building to another location in the City, but specifically excluding moving costs and acquisition costs) such Excess Rent or excess consideration, as and when received, shall be applied as a dollar-for-dollar credit against amounts due and payable under the Big Developer Note (or, if such Big Developer Note has been fully repaid, against any Quaker TIF-Funded Costs). Net Excess Rent or net excess consideration shall mean the gross Excess Rent or gross excess consideration received by Quaker minus the direct

leasing costs (excluding moving costs and acquisition costs) incurred in connection with a relocation of FTEs from the Building to another location in the City which relocation is the cause of the subletting or assignment giving rise to such Excess Rent or excess consideration. If such relocated FTEs work at the new location for a JV, the costs incurred by such JV shall be multiplied by Quaker's percentage interest in the JV and reduced accordingly for purposes of the calculation under this Section 4.02(f).

(g) Reduction of Big Developer Note Upon Quaker Purchase. If Quaker or its Affiliate buys the Property or Building, then interest shall no longer accrue on the Big Developer Note and the City shall have the right to terminate any further payments of interest with respect thereto. If the City elects to do so, any accrued but unpaid interest will not be paid, but the City will, however, continue to pay the outstanding principal balance of the Big Developer Note.

4.03 Requisition Form. (a) After the Developer Note Issue Date, and in order to request the payment of any City Funds with respect to the Big Developer Note and the Little Developer Note, the Developer shall deliver to the City, a completed Requisition Form in substantially the form of Exhibit L attached or in such other form proposed by the Developer which is acceptable to DPD (the "Requisition Form"), together with the documentation described therein. All City Funds paid pursuant to a Requisition Form shall be used to pay principal and interest costs on the City Notes the proceeds of which were used to reimburse the Developer for its previous payment for the Building-TIF Funded Costs.

(b) After the Developer Note Issue Date, and in order to request the payment of any City Funds with respect to Quaker TIF-Funded Costs, Quaker shall similarly deliver to the City a completed Requisition Form, together with the documentation described therein. All City Funds paid pursuant to a Requisition Form shall be used to reimburse Quaker for its previous payment for the Quaker TIF-Funded Costs.

(c) The City shall approve or disapprove (with a brief written explanation for any disapproval) a Requisition Form within thirty (30) days of receipt of the Requisition Form. Any disapproved Requisition Form may be resubmitted for approval after any unsatisfied conditions precedent have been satisfied.

4.04 Treatment of Prior Expenditures.

(a) Prior Expenditures. Only those expenditures made by the Developer and Quaker prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Building Project Budget or Quaker Project Budget, as applicable, shall be considered previously contributed equity or Lender Financing hereunder (the "Prior Expenditures"). Exhibit M hereto sets forth the prior expenditures by the Developer and Quaker approved by DPD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Costs shall not be reimbursed from City Funds.

(b) City Fee. The City shall have the right to use up to twenty percent (20%) of the Incremental Taxes from the Area (but in no event more than the Property's pro rata share of such City Fee) to pay itself any City Fee that may be due and payable. The City's first priority claim on any such Incremental Taxes for such purpose shall not be deducted from or considered a part of the City Funds reserved hereunder to pay principal and interest on the City Notes or Quaker TIF-Funded Costs, nor shall the Developer nor Quaker be required to pay such fee.

(c) Allocation Among Line Items. Disbursements for expenditures related to Building TIF-Funded Costs may be allocated to and charged against the appropriate line item 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. Disbursements for expenditures related to Quaker TIF-Funded Costs may be allocated by Quaker between line items in any combination.

4.05 Cost Overruns. If the aggregate cost of the TIF-Funded Costs exceeds City Funds available pursuant to Section 4.02 hereof, the Developer or Quaker, as applicable, shall be solely responsible for such party's excess costs, and shall hold the City harmless from any and all costs and expenses of completing such party's TIF-Funded Costs in excess of City Funds.

## SECTION 5. CONDITIONS PRECEDENT

The conditions precedent in Sections 5.01 through Section 5.17 below shall be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, not less than five (5) business days prior to the Closing Date. The Commissioner's execution and delivery of this Agreement shall be deemed to be a satisfaction of DPD's approval of all such conditions precedent.

5.01 Project Budgets. The Developer and Quaker shall have submitted to DPD, and DPD shall have approved, the Building Project Budget and the preliminary Quaker Project Budget, respectively, in accordance with the provisions of Section 3.03 hereof.

5.02 Plans and Specifications. The Developer shall have submitted to DPD, and DPD shall have approved, the Building Plans and Specifications in accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. The Developer and Quaker shall have secured (or shall secure before work is undertaken for which such approval is necessary) all other necessary approvals and permits with respect to such party's work required by any state, federal, or local statute, ordinance or regulation and shall submit evidence thereof to DPD, including, without limitation, approval of the Planned Development.

5.04 Financing. The Developer and Quaker shall have furnished proof acceptable to the City that each has equity, cash on hand or cash flow and (in the case of the Developer) Lender Financing and CBRE financing in the amounts set forth in Section 4.01 hereof to complete their respective portion of the Project and satisfy their respective obligations under this Agreement. The Developer shall have furnished proof that the proceeds of the Lender Financing and CBRE financing are available to be drawn upon by the Developer as needed and are sufficient to complete the Project. Any liens against the Property in existence at the Closing Date shall be subordinated to the covenants that run with the land specified in Section 7.02 pursuant to a Subordination Agreement in a form acceptable to the City executed and recorded on or prior to the Closing Date.

5.05 Title. The Developer shall furnish the City with a copy of its Title Policy for the Property, dated down as of the Closing Date, certified by the Title Company, showing the Developer as the named insured. The Title Policy shall contain only those title exceptions listed as Permitted Liens on Exhibit J hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.17 hereof. The Developer shall provide to DPD, prior to the Closing Date, a title commitment, copies of documents identified on Schedule B to such title commitment, and documentation related to the purchase of the Property and establishing its acquisition cost (or, if the Property was acquired as part of a larger parcel, supporting the portion of the total acquisition cost allocated to the Property).

5.06 Evidence of Clean Title. The Developer, at its own expense, shall have provided the City with current searches for the Developer, each of the Developer's upper-tier owners, Steven D. Fifield and Quaker, 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, judgments, bankruptcy proceedings
Clerk of Circuit Court, Cook County	Pending suits, judgments, bankruptcy proceedings

showing no liens against the Developer, the Property or any fixtures now affixed thereto, except for the Permitted Liens, nor any other unacceptable matters.

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

5.08 Insurance. The Developer and Quaker, at their own expense, shall have insured their respective portions of the Property in accordance with Section 12 hereof and provided to DPD the certificates of insurance required pursuant to Section 12 (or, in the case of Quaker only, written confirmation of such self-insurance as Quaker may carry with respect to one or more of the required coverages).

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer and Quaker shall each furnish the City with an opinion of counsel, substantially in the form attached hereto as Exhibit N, with such changes as may be required by or acceptable to Corporation Counsel.

5.10 Evidence of Prior Expenditures. The Developer and Quaker each shall have provided evidence satisfactory to DPD, in its sole discretion, of any Prior Expenditures of such party in accordance with the provisions of Section 4.04(a) hereof.

5.11 Financial Statements. The Developer shall have provided Financial Statements to DPD for all years since its formation and unaudited interim financial statements for the year in which the Closing Date occurs and Financial Statements for Steven D. Fifield for 1998 and 1999.

5.12 Documentation. The Developer, with respect to the Building Project work, and Quaker, with respect to the Quaker Project work, shall have provided evidence satisfactory to DPD, in its sole discretion, with respect to its ability to satisfy MBE/WBE and City resident employment standards. Such evidence shall include, without limitation: the Developer's MBE/WBE Utilization Plan, including Schedules C and D; evidence that the General Contractor has met at least once with, and provided bid documents to, applicable MBE/WBE contractor associations; and evidence of meeting with DPD's monitoring staff.

5.13 Environmental. The Developer shall have provided DPD with copies of any phase I and phase II environmental audits and any other environmental assessments or remediation reports completed with respect to the Property. The Developer shall provide the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents. The Developer and Quaker each shall have provided DPD with copies of their respective articles of organization or incorporation, as applicable, containing the original certification of the Secretary of State of the state of incorporation or organization; certificates of existence or good standing from the Secretary of State of its state of organization or incorporation and the State of Illinois, if different; copies of operating agreements or bylaws, as applicable; a managing member's or secretary's certificate in such form and substance as the Corporation Counsel may reasonably require; member or director or shareholders consents evidencing consent to the execution of this Agreement and the Limited Joinder, as applicable; and such other limited liability company and corporate documentation as the City may request.

5.15 Litigation. The Developer and Quaker shall each provide to Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving such party's property located in the City, or to which the City is a party, or involving payment of franchise, income, sales or other taxes by such party to the State of Illinois or City. In each case, the description shall specify the amount of each claim, and whether (and to what extent) such potential liability is covered by insurance.

5.16 Quaker Lease. A complete copy of the Quaker Lease, and all other written agreements setting forth the parties' understandings relating to Quaker's relocation to or occupancy of the Quaker Premises and any financial agreements between the

parties in any way relating to the Property or Quaker Lease, jointly certified by the Developer and Quaker, shall have been delivered to the City.

5.17 Payment and Performance Bonds. The Developer shall have delivered to the City a copy of payment and performance bonds relating to the Building Project, if, and only if, such bonds are required by the lender providing the Lender Financing. The City shall be named as an obligee or co-obligee on such bonds, if any.

5.18 Conditions Precedent to City Obligations.

(a) The conditions in this Section 5.18 shall be satisfied prior to the City's initial obligation to issue the Big Developer Note and the Little Developer Note and the City's initial obligation to pay any Quaker TIF-Funded Costs:

(1) the City shall have issued the Building Certificate and the Quaker Preliminary Certificate;

(2) the City shall have determined that the Developer has satisfied and that Quaker, upon issuance of the Quaker Final Certificate, will have satisfied the MBE/WBE requirements applicable to the Building Project and the Quaker Project, respectively (the Developer and Quaker acknowledging that either party's failure to satisfy such requirements is not subject to cure and will mean that neither party will ever be paid any City Funds);

(3) the City shall have determined that the Developer has satisfied and that Quaker, upon issuance of the Quaker Final Certificate, will have satisfied the City resident hiring and prevailing wage requirements applicable to the Building Project and the Quaker Project, respectively, or, if the City determines that such requirements were not satisfied, the City shall have been paid all amounts due under Section 10.02 (or the principal amount of the Little Developer Note or the Big Developer Note, as applicable, shall have been reduced by the amount due and payable);

(4) Quaker shall have commenced operations at the Quaker Premises, which shall include at least 300,000 square feet of leased space, and shall employ at least 800 Full-Time Equivalent Employees at the Building; and

(5) the Developer shall have provided the City with current title, survey, due diligence search and insurance evidence

consistent with the requirements of Sections 5.05, 5.06, 5.07 and 5.08 (except the Survey shall be an "as-built" survey of the Building and Property).

(b) In addition, as additional conditions precedent to the issuance of the Little Developer Note, (i) the Developer shall have made the initial \$300,000 payment required under Section 8.20, and (ii) Developer's representations and warranties contained in this Agreement shall be true and correct and the Developer shall be in material compliance with all of its covenants therein.

(c) In addition, as an additional condition precedent to the issuance of the Big Developer Note and the City's initial obligation to pay any Quaker TIF-Funded Costs, Quaker's representations and warranties contained in this Agreement and the Limited Joinder shall be true and correct and Quaker shall be in material compliance with all of its covenants therein.

**(d) If after the execution of this Agreement and the Limited Joinder, either Quaker or the Developer terminate the Quaker Lease pursuant to any right granted it thereunder prior to Quaker's taking possession of and commencing operations at the Quaker Premises, and regardless of whether such termination is based on an event that would or could constitute a Developer Event of Default or a Quaker Event of Default under this Agreement, this Agreement and the Limited Joinder shall terminate, the Big Developer Note and the Little Developer Note will not be issued, and no City Funds will ever be paid to the Developer or Quaker pursuant to this Agreement.**

5.19 Conditions Precedent to Payment of City Funds. Prior to each disbursement of City Funds to the Developer or Quaker, the Developer (if it is the party requesting City Funds) or Quaker (if it is the party requesting City Funds) shall submit a Requisition Form to DPD. Delivery of a Requisition Form shall, in addition to the certifications contained therein, constitute a certification to the City by the delivering party, as of the date of such Requisition Form, that:

(a) the total amount of the reimbursement request represents payment to the delivering party for (i) principal and/or interest payable with respect to the Big Developer Note or the Little Developer Note, if the Developer is the delivering party, or (ii) Quaker TIF-Funded Costs, if Quaker is the delivering party;

(b) the representations and warranties contained in this Agreement and/or the Limited Joinder made by the delivering party are true and correct and such delivering party is in material compliance with all of its covenants contained therein;

(c) if the delivering party is (i) the Developer, then no Developer Event of Default exists under this Agreement and no condition or event which, with the giving of notice or passage of time or both, would constitute such a Developer Event of Default exists or has occurred, (ii) Quaker, then no Quaker Event of Default exists under this Agreement or the Limited Joinder, and no condition or event which, with the giving of notice or passage of time or both, would constitute such a Quaker Event of Default, exists or has occurred;

(d) no Default (as defined in the Quaker Lease) by Quaker under the Quaker Lease or default by the landlord under the Quaker Lease exists or has occurred that has resulted in the termination of the Quaker Lease (whether by the landlord or by Quaker) or the landlord's exercise of its right of reentry under Section 16 of the Quaker Lease, it being understood that if such termination or exercise of right of reentry occurs due to a Default by Quaker, City Funds shall still be paid with respect to the Little Developer Note, provided other applicable conditions precedent are satisfied, and that no default by the landlord, other than one that results in the termination of the Quaker Lease or Quaker's permanently vacating more than one-half of the Quaker Premises, shall operate to terminate the payment of City Funds to the Developer with respect to the Big Developer Note or to Quaker for Quaker TIF-Funded Costs, provided other applicable conditions precedent are satisfied);

(e) for payments of City Funds with respect to the Little Developer Note only, the Developer shall have satisfied the minimum leasing covenant in Section 8.21; and

(f) for payments of City Funds with respect to Quaker TIF-Funded Costs, the City shall have issued the Quaker Final Certificate.

In addition to the conditions precedent in this Section 5.19, the party seeking reimbursement shall have satisfied all other preconditions of disbursement of City Funds, including but not limited to requirements set forth in this Agreement and the Planned Development.

Notwithstanding the above conditions precedent in this Section 5.19, if (x) a Developer Event of Default or impending

Developer Event of Default prevents the Developer from being able to make one or more of the certifications in Section 5.19(b) through (e), and (y) such Developer Event of Default is not a Developer Reimbursement Event described in clauses (1), (11) or (x) of the definition of Developer Reimbursement Event, and (z) Quaker is in material compliance with all of its representations, warranties and covenants under this Agreement and the Limited Joinder, then the City will continue to make payments with respect to the Big Developer Note and to Quaker for Quaker TIF-Funded Costs. In addition, it is hereby understood that a Quaker Event of Default or impending Quaker Event of Default will not, in and of itself, adversely affect payments under the Little Developer Note provided the Developer is in material compliance with all of its representations, warranties and covenants under this Agreement and such default is not covered by clauses (i), (ii) or (iv) of the definition of "Quaker Reimbursement Event".

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

6.01 Bid Requirement for General Contractor and Subcontractors. (a) The City hereby approves the Developer's retention of the Building General Contractor. Except as set forth in Section 6.01(b) below, prior to entering into an agreement with any subcontractor for construction of any portion of the Building Project, the Developer 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. For the Building Project, the Developer shall cause the general contractor to select the subcontractor submitting the lowest responsive and responsible bid who can complete the Building Project in a timely manner. If the subcontractor who submits such bid for a portion of the Building Project is not selected, the difference between such bid and the bid selected shall be excluded in computing the final Building Project costs. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Costs shall be provided to DPD within ten (10) business days of the execution thereof. The Developer agrees that the Building General Contractor shall not (and shall cause such general contractor to insure that the subcontractors shall not) begin work on the Project until the applicable plans and specifications have been approved by DPD and all requisite permits and approvals have been obtained.

(b) The amount paid to each of the Building General Contractor and the Quaker General Contractor for general

conditions and profit shall be limited to 10% of the total amount of the such contractor's construction contract.

6.02 Construction Contracts. Prior to the execution thereof, the Developer has delivered to DPD, and DPD has approved, a certified copy of the Building Construction Contract. Prior to commencing the Quaker Project, Quaker shall deliver to DPD a copy of the Quaker Construction Contract. The Developer and Quaker shall each deliver to DPD and Corporation Counsel copies of any modifications, amendments or supplements to such party's construction contract within ten (10) business days after execution of such changes.

6.03 Performance and Payment Bonds. Prior to commencement of construction, the Developer shall require that, with respect to any work in the public way or other work for which a bond or letter of credit is required under the Municipal Code, the Building General Contractor, and any applicable subcontractors be bonded for their respective payment and performance (if any) by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The City shall be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. The Developer shall contractually obligate and cause the Building General Contractor to agree and to contractually obligate each subcontractor, and Quaker shall contractually obligate and cause the Quaker General Contractor to agree and to contractually obligate 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 Building Construction Contract and the Quaker Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders) (provided that this Section shall be inapplicable to Quaker), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), 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 Costs shall be provided to DPD within ten (10) business days of the execution thereof.

## SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. (a)After (i) completion of the Building Project in accordance with the terms of this Agreement, (ii) submission of documentation

establishing, to the reasonable satisfaction of the City, the cost of completing the Building Project and the cost of any tenant improvement work for tenants in the Building other than Quaker, if any, (iii) the issuance of any permits and governmental approvals necessary for the occupancy of the Building and the Quaker Premises, and (iv) the written request of the Developer, DPD shall issue to the Developer a certificate in recordable form (a "Building Certificate") certifying that the Developer has fulfilled its obligation to complete the construction work relating to the Building Project in accordance with the terms of this Agreement.

(b) After (i) substantial completion of the Quaker Project (as evidenced by both (A) either (1) the sufficient completion of the Quaker Project so that Quaker can occupy and utilize the Quaker Premises for the intended use, as evidenced by a Certificate of Substantial Completion issued by Quaker's architect, or (2) Quaker's expenditure of costs equal to 95% of the Quaker Project Budget, and (B) the occurrence of the Job Creation Date), (ii) submission of documentation establishing, to the reasonable satisfaction of the City, the cost of completing the Quaker Project, (iii) the issuance of any permits and governmental approvals necessary for the occupancy of the Quaker Premises, (iv) the City's reasonable determination that Quaker, upon final completion of the Quaker Project, will be in compliance with the prevailing wage and Section 10 requirements of this Agreement, and (v) the written request of Quaker, DPD shall issue to Quaker a preliminary certificate (the "Quaker Preliminary Certificate"), the issuance of which will permit the City to issue the Big Developer Note and the Little Developer Note (provided a Certificate has issued pursuant to Section 7.01(a)).

Thereafter, upon (w) Quaker's completion of the Quaker Project (as evidenced by Quaker's expenditure of costs equal to the full and final Quaker Project Budget), (x) Quaker's delivery of a final Project Budget, and (y) the City's confirmation of Quaker's final compliance with its other construction-related obligations under this Agreement, including, without limitation, Quaker's compliance with the prevailing wage and Section 10 requirements of this Agreement, but specifically excluding satisfaction of the Quaker Jobs Covenant, the City will issue to Quaker a final certificate (the "Quaker Final Certificate") in recordable form certifying that Quaker has fulfilled its obligation to complete the construction work relating to the Quaker Project in accordance with the terms of this Agreement.

(c) DPD shall respond to a written request for a certificate under this Section 7.01 within thirty (30) days by issuing either a certificate or a written statement detailing the ways in which the applicable portion of the Project has not been satisfactorily completed and the measures which must be taken in order to obtain the applicable certificate. If DPD disapproves a request for a certificate, then the Developer or Quaker, as applicable, may resubmit a written request for the applicable certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate. The issuance of a certificate under Section 7.01 relates only to the construction of the applicable portion of the Project and will state that the terms of the Agreement specifically related to the performance of such construction work have been satisfied.

(a) Developer's Continuing Requirements. After the issuance of a Building Certificate, only the executory terms and other requirements of this Agreement set forth in Sections 3.04, 3.05, 3.06, 3.10, 4, 5.18, 5.19, 8.01(a), (b), (d) -(i), (k), (l), (m), (n), 8.02 through 8.05, 8.09 through 8.16, 8.18 through 8.21, 11 through 17, 18.01, 18.04, 18.15, 18.19 and 18.20 of this Agreement (collectively, the "Developer Continuing Requirements"), and all representations, warranties and covenants of the Developer and other requirements contained in the Developer Continuing Requirements will continue to remain in full force and effect throughout the Term of the Agreement, or such other period as may be expressly provided for herein. The issuance of the Building Certificate shall not be construed as a waiver by the City of any of its rights, remedies or requirements pursuant to such Developer Continuing Requirements. Those covenants specifically described at Sections 8.01(j), (k) and (m) and Sections 8.02, 8.03, 8.19, 8.20 and 8.21, together with those Quaker' covenants specified in Section 7.02(b) below, shall be covenants that run with the land from the date hereof and shall be binding upon any transferee of the Property throughout the Term of the Agreement, or such other period as may be expressly provided for in such Sections, notwithstanding the issuance of a Building Certificate. The other Developer Continuing Requirements that remain after the issuance of a Building Certificate shall be binding only upon the Developer and upon any successor in interest to the Developer's rights and obligations under this Agreement.

(b) Quaker's Continuing Requirements. After the issuance of a Quaker Final Certificate, only the executory terms and other requirements set forth in Sections 3.04, 3.05, 3.06, 3.10, 4, 5.18, 5.19, 12, 13, 14, 17, 18.01, 18.04 and 18.19 of this

Agreement and Section 2, 3(a), (b), (d), (e), (f), (h), (j) through (l), (p) through (x), 4, 8 through 14 ) of the Limited Joinder (collectively, the "Quaker Continuing Requirements"), and all representations, warranties and covenants of Quaker will continue to remain in full force and effect throughout the Term of the Agreement, or such other period as may be expressly provided for in the Quaker Continuing Requirements. The issuance of the Quaker Final Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to the Quaker Continuing Requirements. Those covenants specifically described at Sections 3(i) and (j) of the Limited Joinder shall be covenants that run with the land and shall be binding upon any transferee of the Property throughout the Term of this Agreement, or such other period as may be expressly provided for herein or in the Limited Joinder, notwithstanding the issuance of a Quaker Final Certificate. The other Quaker Continuing Requirements that remain after the issuance of a Quaker Final Certificate shall be binding only upon Quaker and any Approved Successor.

7.03 Failure to Complete. If either (a) the Developer fails to complete the Building Project, as evidenced by the City's issuance of the Building Certificate, or (b) Quaker fails to complete the Quaker Project, as evidenced by the City's issuance of the Quaker Final Certificate, or (c) either the Developer or Quaker permits an unpermitted lien to exist and such lien is foreclosed or otherwise enforced in such a manner as to terminate the encumbrance of this Agreement or lessen the priority thereof, then the City shall have, but shall not be limited to, any of the following rights and remedies, exercisable against the defaulting party, which shall be cumulative:

(a) if the defaulting party is the Developer, the right to (i) terminate this Agreement and the Developer's right to any City Funds or other benefits hereunder, (ii) complete any unfinished public improvement work and to pay for such costs of completion (including interest costs) out of City Funds or other City monies, and to be reimbursed by the Developer for all reasonable costs and expenses incurred by the City in completing such public improvement work, if any, to the extent such costs are in excess of \$4,000,000, and (iii) seek reimbursement from the Developer of any City Funds previously paid to the Developer under the Little Developer Note, if any; and

(b) if the defaulting party is Quaker, the right to (i) terminate this Agreement and Quaker's right to any City Funds or other benefits under this Agreement and the Developer's right to

any City Funds, and (11) seek reimbursement from Quaker of any City Funds previously paid to Quaker under this Agreement.

The City's termination rights under this Section 7.03 are in addition to the conditions precedent and termination rights described in Section 5.18.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer and Quaker, at any such party's written request, with a written notice in recordable form stating that the Term of the Agreement has expired and that the property is no longer subject to the covenants that run with the land, excluding the publicly-accessible rooftop garden described in Section 8.20, which shall continue to run with the land until the demolition of the Building, which, after the Term of the Agreement, shall be in the Developer's sole discretion (but subject to Quaker's rights under the Quaker Lease).

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

8.01 General. The Developer (and, upon and after any transfer and assignment permitted hereunder, such transferee and assignee) represents, warrants and covenants that as of the date of this Agreement and (except as to those fully performed representations, warranties and covenants that terminate upon the City's issuance of a Building Certificate or as otherwise specified) during the Term of this Agreement:

(a) (i) the Developer is an Illinois limited liability company 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 (it being understood that upon a transfer to an Approved Purchaser, this representation and warranty shall be construed to apply to such transferee or assignee, based on its entity and organizational status);

(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 the Developer of its obligations under this Agreement has been duly authorized by all necessary limited liability company action, and does not violate the Developer's articles of organization, operating agreement, as the same may be amended and supplemented, nor any applicable provision of law, nor does it constitute a breach of,

default under or require any consent under any material agreement, instrument or document to which the Developer is now a party or by which it is now or may become bound;

(d) except as permitted pursuant to Section 8.01(k) of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property free and clear of all liens (except for the Permitted Liens, Lender Financing as explicitly disclosed in the Project Budget, Non-Governmental Charges that the Developer is contesting in good faith pursuant to Section 8.14 hereof, equipment financing liens and purchase money security interests in personal property located on the Property) and, as evidence of compliance with such covenant, shall provide DPD with copies of all date-down title indorsements at the time such indorsements are issued to the lender providing the Lender Financing (or, if no such indorsements are issued, such other title evidence as shall be reasonably satisfactory to DPD);

(e) the Developer is and shall remain solvent and able to pay its respective 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 obtained (or will, prior to the commencement of construction shall obtain) and shall maintain all government permits, certificates and consents necessary to conduct its business and to construct, complete and operate the Building Project;

(h) the Developer is not in default beyond any applicable grace period or notice and cure period 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 it or the Property 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 Steven D. Fifield, and there has been no material adverse change in the assets, liabilities, results of operations or

financial condition of the Developer or Steven D. Fifield since the date of their most recent Financial Statements;

(j) prior to the Developer Note Issue Date, the Developer shall not do or permit any of the following without the prior written consent of DPD, which shall be in DPD's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) Transfer the Property (except for the lease to Quaker and leases and subleases to Approved Tenants in the ordinary course of business and Permitted Transfers) or otherwise dispose of all or substantially all of its assets or refinance the Property; (3) enter into any transaction outside the ordinary course of business or that would cause a material and detrimental change to the Developer's financial condition; or (4) assume or guarantee the obligations of any other person or entity (except assumptions or guarantees given for the benefit of CBRE and the lender providing the Lender Financing);

(k) after the Developer Note Issue Date, the Developer may (i) Transfer the Property or substantially all of its assets provided that (A) the Developer gives the City a completed Notice of Proposed Transfer/Refinancing (including a calculation of the Little Developer Note Reduced Principal Amount, if any) at least 30 days prior to such sale, and (B) the transferee is an Approved Purchaser, and (ii) secure any debt by the Property or any portion thereof, provided the same shall be subject to the terms of this Agreement and, if required, the Little Developer Note is reduced to the Little Developer Note Reduced Principal Amount;

(l) the Developer has not incurred, and shall not, without the prior written consent of DPD, allow, without contesting the same pursuant to Section 8.14 hereof, the existence of any liens against the Property other than the Permitted Liens, equipment financing liens and purchase money security interests in personal property located on the Property;

(m) the Developer has not incurred, and prior to the Developer Note Issue Date, shall not incur, any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto, except the Lender Financing disclosed in the Building Project Budget and any additional financing approved in writing by DPD; and

(n) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter

into the Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City.

8.02 Covenant to Redevelop. Upon DPD's approval of the Building Plans and Specifications and the Building Project Budget, 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 (in the form in effect as of the date of this Agreement), the Building Plans and Specifications, the Building Project Budget and all amendments thereto, the Quaker Lease, the Planned Development, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property, and the Developer.

8.03 Redevelopment Plan. The Developer represents that the Building Project is and shall be in compliance with all of the terms of the Redevelopment Plan attached hereto as Exhibit D.

8.04 Use of City Funds. City Funds disbursed to the Developer shall be used by the Developer solely to reimburse the Developer for the cost of Building TIF-Funded Costs 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 Project or the Area; provided, however, that any such amendments shall not have a material adverse effect on the Developer, the Building Project, Quaker or the Quaker Project, or the ability to pay City Funds to the Developer and Quaker as provided for hereunder, as determined by DPD. Under the terms of this Agreement, and without any such amendment, the City may use bond proceeds from any such bond issue to prepay the City Notes (or, if such City Notes have not yet been issued, to pay to the Developer bond proceeds in lieu of the maximum amount of principal indebtedness that would have been payable on such City Notes) and to pay any amounts then due to Quaker under this Agreement for Quaker TIF-Funded Costs. In such event, then upon full payment thereof, the City Notes and the reservation of City Funds described in Section 4.02(b) shall both terminate. The Developer shall, at its expense, cooperate and provide reasonable assistance in connection with the marketing of any such additional bonds, including but not limited to providing written descriptions of the Project, and providing information and assisting the City in preparing an offering statement with respect thereto.

8.06 Employment Opportunity. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the Building General Contractor and each of its subcontractors to abide by the terms set forth in Section 10 hereof.

8.07 Employment Profile. The Developer shall submit, and contractually obligate and cause the Building General Contractor and its subcontractors to submit, to DPD, from time to time, statements of their respective employment profiles upon DPD's request.

8.08 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the Building General Contractor and each of its subcontractors 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 contracts. 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 to evidence compliance with this Section 8.08.

8.09 Arms-Length Transactions. Unless DPD shall have given its prior written consent with respect thereto, and except as explicitly disclosed in the Building Project Budget, neither the Developer, CBRE nor either such party's Affiliates may receive, directly or indirectly, any payment for work done, services provided or materials supplied in connection with the Project. The Developer shall provide information with respect to any entity receiving, directly or indirectly, any such payment upon DPD's request, prior to any disbursement of City Funds or otherwise.

8.10 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, Steven Fifield represents and warrants that, to the best of his actual 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 intends to own or control any interest, and no such person has represented any person, as agent or otherwise, who owns or controls, has owned or controlled, or intends to own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the

Redevelopment Area (excluding property used exclusively as a principal residence).

8.11 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.

8.12 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the fiscal year ended December 31, 2000 and each year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as practical following the close of each fiscal year and for such other periods as DPD may request.

8.13 Insurance. The Developer, at its expense, shall comply (or cause compliance) with all provisions of Section 12 hereof.

8.14 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, the Developer agree to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Building 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 Building 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 shall have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, 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 8.14); or

(ii) at DPD's sole option, to furnish a good and sufficient bond or evidence of title insurance or other security reasonably 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, or the preservation of the encumbrance of this Agreement, 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.

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

8.16 Compliance with Laws. The Developer covenants that the Property and the Building Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, the Planned Development, rules, regulations, executive orders and codes pertaining to or affecting the Building Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.17 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 on the date hereof in the conveyance and real property records of the Cook County along with the subordination agreement described in Section 5.04. 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.

8.18 Real Estate Provisions.

(a) Governmental Charges.

(i) 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 Building Project, or become due and payable, and which create or may 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 relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(11) Right to Contest. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner required by law and provided in this Agreement unless the Developer has given prior written notice to DPD of its 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, evidence of title insurance or other security reasonably 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 prevent the imposition of such lien 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 reimbursed to DPD by the Developer. Notwithstanding anything 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) Insurance. In addition to the insurance required pursuant to Section 12 hereof, the Developer shall procure and maintain the following insurance:

(i) During construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property.

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

8.19 Quaker Lease Representations, Warranties and Covenants. With respect to the Quaker Lease, as of the date hereof, and during the time period ending on the Tenth Anniversary Date, the Developer represents, warrants and covenants to the City that:

(a) assuming the due authorization and execution of the Quaker Lease by Quaker, the Quaker Lease is valid and binding as to the Developer and is unmodified (or if modified, modified only by (i) approved Material Amendments, (ii) amendments that are not unapproved Material Amendments, or (iii) unapproved Material Amendments described in clause (a) of the definition of thereof, subject to the City's exercise of its rights under Section

8.19(f)), copies of which have been provided to DPD), and is in full force and effect;

(b) except for the Quaker Lease, there are no binding agreements (written or oral) between the Developer and Quaker which, taken as a whole, materially effect the economic relationship between Developer and Quaker with respect to the Property or the Quaker Lease;

(c) the Developer has delivered (and will deliver) to the City copies of any written notices delivered by the Developer, as landlord under the Quaker Lease, to Quaker pursuant to the Quaker Lease alleging or asserting either (i) that Quaker is in Default (as defined in the Quaker Lease) under the Quaker Lease or that an event has occurred and or a condition exists which, with the giving of notice, or the lapse of time, or both, would constitute such a Default, or (ii) that it has current defenses, counterclaims, liens or claims of offset or credit under, or claims or currently exercisable termination rights under the Quaker Lease against Quaker;

(d) the Developer, as landlord under the Quaker Lease, has performed all of its current obligations under the Quaker Lease;

(e) the Developer, as landlord under the Quaker Lease, (i) shall, upon receiving notice from Quaker or upon obtaining actual knowledge, give written notice of any assignment or subletting of any portion of the Quaker Premises to DPD, which notice shall include a calculation of the Excess Rent or excess consideration (as described in Section 14.B of the Quaker Lease) arising from such assignment or subletting, (ii) shall deliver to DPD a copy of written notice of any change in circumstances that makes the representations and warranties in Section 8.19(a) inaccurate (it being agreed by the City that if such change in circumstances is not due to a Default by the Developer, the Developer shall not be deemed in default under such cited section if it gives such written notice), and (iii) comply with its obligations under the Quaker Lease (subject to the Developer's exercise of whatever rights it may have in the case of a Default by Quaker); and

(f) after the date hereof and through the Tenth Anniversary Date, the Developer, as landlord under the Quaker Lease, shall not agree to a Material Amendment of the Quaker Lease without the prior written consent of DPD, which consent shall be in DPD's sole discretion. Notwithstanding the foregoing, if the Developer requests DPD to consent to a Material Amendment described only in clause (a) of the definition thereof and DPD withholds its consent, then the Developer may proceed to enter into such a

Material Amendment without such action being considered a breach of this Section 8.19(f) or a Developer Event of Default, provided, however, that the City shall nonetheless be entitled to exercise one, more than one or all of the rights described in Section 9(b) of the Limited Joinder but shall have no other right or remedy with respect to such Material Amendment.

8.20 Public Benefit. The Developer will contribute \$500,000 in cash to the City to fund open space related improvements for the property depicted on Exhibit O across the street from the Property, to be contributed as follows: (a) \$300,000 will be contributed when a building permit is issued for the Building; (b) \$100,000 will be contributed when a building permit is issued for Phase II of the Planned Development (but in no event later than two years from the date of this Agreement; and (c) the final \$100,000 will be contributed when building permit is issued for the Phase III of the Planned Development (but in no event later than three years from the date of this Agreement). In the event the Developer fails to complete the Building Project, the final \$200,000 in payments shall, upon the written demand of the City, become immediately due and payable.

In addition, the Developer will construct a publicly accessible rooftop garden on top of the Building's one-story lobby extension. The public's use of this space will not be restricted on a daily basis other than occasionally when the space is needed for tenants' own special events. Public access to this open space will be provided through an elevator located in a vestibule accessible directly from Monroe Street, and will be identified in such a fashion so as to make it noticeable from the public way. The Developer will provide the project with enhanced landscaping beyond what is normally required under existing City ordinances and codes, as more fully described on Exhibit O.

8.21 Minimum Leasing Covenant. On and after the Job Creation Date and through the Tenth Anniversary Date, the Developer shall at all times have at least eighty percent (80%) of the net rentable square footage of the Building leased and occupied. Notwithstanding the preceding sentence, so long as Quaker (or an Approved Successor to Quaker) is leasing the Quaker Premises and the Developer has not amended the Quaker Lease to reduce the square footage of the Quaker Premises, the minimum leasing requirement shall be deemed satisfied even if less than 80% of the net rentable square footage of the Building is leased and occupied. The Developer agrees that it shall act in good faith and, among other things, shall not enter into leases for

less than a year as a means of avoiding a breach of such minimum leasing covenant.

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 survive the execution, delivery and acceptance hereof by the parties hereto. Construction-related obligations shall terminate pursuant to Section 7.02 upon the issuance of a Building Certificate. Thereafter, the Developer Continuing Requirements shall be in effect throughout the Term of the Agreement, or such shorter period as may be expressly provided therein. In addition, and notwithstanding the preceding sentence, the Developer's indemnification, defense and hold harmless obligations in Section 11 and Section 13 of the Agreement shall survive the Term of the Agreement.

#### **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.

#### **SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS**

As used in this Section 10, references to the "Developer" shall mean the Developer, with respect to the Building Project, and Quaker, with respect to the Quaker Project, and references to "Project" shall mean the Building Project, with respect to the Developer, and the Quaker Project, with respect to Quaker. References to "general contractor" shall mean the applicable general contractor of the Developer or Quaker.

10.01 Employment Opportunity. The Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or its 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:

(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 construction of the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, so that each such provision shall be binding upon each contractor, subcontractor, 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 15.03 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 Purchasing Agent 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 personnel 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 Purchasing Agent, 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 Purchasing Agent) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that 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 applicable 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 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 Purchasing Agent'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 its 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 Building MBE/WBE Project Budget and Quaker MBE/WBE Project Budget attached as Exhibits P-1 and P-2, respectively, as applicable, shall be expended for contract participation by MBE or WBE:

- i. At least 25 percent by MBE.
- ii. At least 5 percent by WBE.

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 MBE or WBE (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 MBE or WBE, or by the purchase of materials used in the Project from one or more MBE or WBE, 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 MBE or WBE in its activities and operations other than the Project.

d. The Developer shall deliver monthly reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment (which may be included as part of the monthly progress report required by Section 3.07). 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 shall have reasonable 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, if necessary to meet the MBE/WBE Commitment, be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor and, if possible and necessary to meet the MBE/WBE commitment, 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 to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD. 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 withhold any further payment of any City Funds to the Developer or the General Contractor.

## SECTION 11. ENVIRONMENTAL MATTERS

The Developer represents and warrants to the City that it has conducted environmental studies sufficient to conclude that the Building Project may be completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Plans and Specifications and all amendments thereto and the Redevelopment Plan.

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 or Quaker: (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 all or any portion of the Building (excluding the Quaker Premises) or the Quaker Premises, as applicable, 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, the Developer or Quaker or any of its Affiliates under any Environmental Laws.

## SECTION 12. INSURANCE

As used in this Section 12, references to the "Developer" shall mean both the Developer, with respect to the Building (excluding the Quaker Premises) and Quaker, with respect to the Quaker Premises.

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense (or the expense of such other party as may be required to maintain such insurance) during the Term of the Agreement, the insurance coverages and requirements specified in Section 8.18(c) and below, insuring all operations related to, in the case of Developer, the Building (excluding the Quaker Premises), and in the case of Quaker, the Quaker Premises.

### (a) After 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 \$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 insured, 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) During 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; provided, however, that such limit shall only be \$1,000,000 in the case of any subcontractors whose subcontract amount is less than \$100,000). Coverages shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following issuance of the applicable Certificate), explosion, collapse, underground, independent contractors, separation of insured, 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 applicable General 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 basis.

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

When the applicable General Contractor undertakes any construction, including improvements, betterments, and/or repairs, the applicable General 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 shall have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental 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 re-dedication, 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. If commercially available, the City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) 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 Developer shall submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to Agreement award. 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 this Agreement's 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 the defaulting party's rights under this Agreement (subject to the provision in Section 15.03(g) that would permit continued payments with respect to the Big Developer Note as therein described) until proper evidence of insurance is provided.

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

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by 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 this Agreement or the Limited Joinder, as applicable, 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 applicable General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements as the Developer unless otherwise specified herein.

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

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, subject to Quaker's right to continue to self-insure with respect to one or more coverages.

### SECTION 13. INDEMNIFICATION

The Developer and Quaker (each, an "Indemnifying Party") each agree to severally indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) ("Indemnified Costs") suffered or incurred by the City arising from third party actions against the City in connection with (i) such Indemnifying Party's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) such Indemnifying Party's failure or such Indemnifying Party's General Contractor's failure to pay the applicable General Contractor, subcontractors or materialmen in connection with the Indemnifying Party's applicable portion of the Project, or (iii) such Indemnifying Party's making of any material misrepresentation or omission in this Agreement or the Limited Joinder, as applicable, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by such Indemnifying Party or its agents, employees, contractors or persons acting under the control or at the request of the such Indemnifying Party, or (iv) such Indemnifying Party's failure to cure any misrepresentation in this Agreement or the Limited Joinder, as applicable, or any other agreement relating hereto. Nothing in this Section 13 shall be construed to obligate the Developer to indemnify the City for any Indemnified Costs attributable to Quaker's non-performance of its obligations under this Agreement or the Limited Joinder or Quaker's misrepresentation or omission, nor to obligate Quaker to indemnify the City for any Indemnified Costs attributable to the Developer's non-performance of any obligations under this Agreement or the Developer's misrepresentation or omission. Nothing in this Section 13 shall be construed to obligate the Developer or Quaker to indemnify the City for any negligent or intentional act of the City or violation of the Act by the City that gives rise to such third party actions.

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

14.01 Books and Records. The Developer and Quaker each shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Building Project and the Quaker Project, respectively, and the disposition of all funds from whatever source allocated thereto, and to monitor such portion of the Project. All such books, records and other documents, including but not limited to the loan statements, 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 office or Quaker's downtown office, respectively, as applicable, for inspection, copying, audit and examination by an authorized representative of the City, at the expense of the Developer and Quaker. The Developer and Quaker each shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts they enter into with respect to the Project.

14.02 Inspection Rights. Upon two (2) business days' notice, any authorized representative of the City shall have reasonable access to all portions of the Project and the Property (excluding confidential product information, trade secrets, proprietary product information and the like) during normal business hours for the Term of the Agreement for purposes of confirming compliance with this Agreement.

**SECTION 15. DEFAULT AND REMEDIES**

15.01 Developer Events of Default. This Section 15 sets forth the Developer defaults and the available City remedies for such defaults. Defaults by Quaker and available City remedies for such defaults are specified in Sections 7 and 9 of the Limited Joinder or elsewhere in this Agreement or the Limited Joinder.

The occurrence of any one or more of the following events by the Developer which is not cured within the cure or dismissal period specified below (it being understood that if no such period is specified, an immediate event of default shall exist) (a "Developer Event of Default") will entitle the City to exercise the applicable remedies described in Section 15.03:

(a) a breach of the sale, refinancing and assignment provisions in Section 8.01(j), (k) or (m) or Section 18.15;

(b) a breach of the public benefit covenant in Section 8.20 that is not cured within the period provided for in Section 15.02;

(c) a failure to comply with the minimum leasing covenant in Section 8.21 for any Calculation Period;

(d) the failure of the Developer to perform, keep or observe any of the other material covenants, conditions, promises, agreements or obligations under this Agreement that is not cured within the period provided for in Section 15.02;

(e) 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 which is untrue or misleading in any material respect that is not cured within the period provided for in Section 15.02;

(f) 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 (but excluding equipment financing and purchase money security interests in personal property located on the Property), other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(g) 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;

(h) the appointment of a receiver for Developer or for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of 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;

(i) the entry of any judgment or order against Developer or relating to the Property in an amount in excess of \$500,000 which remains unsatisfied or undischarged and in effect for ninety (90) days after such entry without a stay of enforcement or execution;

(j) the institution in any court of a criminal proceeding against the Developer, Steven D. Fifield or CBRE for any crime (other than a misdemeanor) which is not dismissed within ninety (90) days;

(k) a default by the landlord under the Quaker Lease that is not cured within any cure period granted under the Quaker Lease (if any) that results in Quaker's terminating the Quaker Lease or permanently vacating more than half of the Quaker Premises.

15.02 Curative Period. The Developer shall promptly notify the City of any breach or default by Developer under this Agreement, provided, however, that an unintentional failure to notify the City shall not, in and of itself, be deemed a Developer Event of Default. In the event the Developer breaches or defaults under any representation, warranty, covenant or other obligation which the Developer is required to perform under this Agreement, (other than the Developer Events of Default described in Sections 15.01(a), (c), (g), (h), (i), (j) or (k), which either have no cure period or the cure period specified therein) a Developer Event of Default shall not be deemed to have occurred unless the Developer fails to perform such defaulted obligation within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default. If such a Developer Event of Default cannot be cured within thirty (30) days, and the Developer has commenced to cure such Developer Event of Default within such initial cure period and thereafter diligently prosecutes such cure to completion, then the Developer shall have up to an additional ninety (90) days time to cure such Developer Event of Default (or, if a longer period of time is permitted under the loan documents for the Lender Financing, such longer period as may be applicable thereunder). Such additional ninety (90) day (or longer) cure period shall never apply to Developer Events of Default described in Sections 15.01(a), (c), (g), (h), (i), (j), or (k).

15.03 City Remedies. If a Developer Event of Default (or, in the case of Section 15.03(a), the Quaker failure described

therein) occurs, the City shall have the following rights and remedies depending on the nature of such default. If more than one Developer Event of Default Exists, the City will have the right to exercise the remedies applicable to each such default.

(a) if the Developer fails to obtain a Building Certificate pursuant to Section 7.01(a) or Quaker fails to obtain a Quaker Final Certificate pursuant to Section 7.02, the City shall have the rights and remedies in Section 7.03(a) and (b) of the Agreement;

(b) if a Developer Event of Default occurs under Section 15.01(b) in connection with a failure to pay amounts due under Section 8.20, the City may either: (i) recover monetary damages equal to the amount payable under Section 8.20 from the Developer, or (ii) reduce the principal amount of the Little Developer Note by an amount equal to 200% of the unpaid amount effective as of the date the public benefit payment was due, and with the interest payments under the Little Developer Note being adjusted accordingly to reflect such reduction;

(c) if a Developer Event of Default occurs under Section 15.01(b) in connection with the public accessibility or use requirements, the City may seek such injunctive relief, specific performance or such other equitable relief as may be available;

(d) if a Developer Event of Default occurs under Section 15.01(c) and no Developer Event of Default exists under Section 15.01(k), the City may exercise one or both of the following remedies: (1) if the Little Developer Note has not previously been fully paid, (A) immediately cease any further accrual of interest on or payments with respect thereto (but continue to reserve any Available Incremental Taxes pursuant to Section 4.02 for payment on such note) and (B) if such Developer Event of Default is not cured within the twelve (12) months after the Bad Year (the "Abeysance Period"), terminate the Little Developer Note (in which case the reservation of Available Incremental Taxes shall also terminate); and (ii) if no cure occurs within the Abeysance Period, and the Little Developer Note has either previously been fully paid or is terminated pursuant to such subclause (B), immediately recapture from the Developer, upon the City's written demand, the Little Developer Note Recapture Amount. If the minimum leasing default is cured during the Abeysance Period, then interest shall again begin to accrue as of the date of such cure and payments on the Little Developer Note shall resume. The Developer shall have the right to only one Abeysance Period prior to the Tenth Anniversary Date. If a second Developer Event of Default occurs under Section 15.01(c), the

City shall immediately be entitled to exercise the remedies described in this Section 15.01(d);

(e) if a Developer Event of Default occurs under Section 15.01(k) resulting in Quaker's terminating the Quaker Lease or permanently vacating more than half of the Quaker Premises, then the City may exercise one or both of the following remedies: (1) if the Little Developer Note and/or the Big Developer Note have not previously been fully paid, terminate either or both of such notes and the City's obligation to make any further payments thereunder; and (ii) make written demand upon the Developer and receive payment of the Little Developer Note Recapture Amount and the Big Developer Note Recapture Amount;

(f) if the Developer breaches the covenants in Sections 8.19(b) or (e)(1), the City may exercise one or both of the following remedies: (1) if the Little Developer Note and/or Big Developer Note have not previously been fully paid, terminate either or both of such notes and the City's obligation to make any payments thereunder; and (ii) make written demand upon the Developer and receive payment of all amounts previously paid on the Big Developer Note and the Little Developer Note;

(g) for a breach of any other representation, warranty, covenant or obligation of the Developer that is not cured, the City may terminate the rights and benefits of the Developer under this Agreement, the Big Developer Note and the Little Developer Note, and may terminate disbursement of City Funds to the Developer. Notwithstanding the preceding sentence, if (i) such breach does not relate to a Developer Reimbursement Event described in clauses (i), (ii) or (x) of the definition of "Developer Reimbursement Event," and (ii) Quaker is in compliance with its obligations under this Agreement and the Limited Joinder, the City will continue to make payments with respect to the Big Developer Note and make payments to Quaker for Quaker TIF-Funded Costs. If the breach does relate to a Developer Reimbursement Event described in clauses (i), (ii) or (x) of the definition thereof, then the City may terminate disbursement of City Funds to the Developer and disbursement of City Funds to Quaker for Quaker TIF-Funded Costs and the City will be entitled to recapture from the Developer only (and not from Quaker) any and all City Funds previously paid to the Developer or Quaker under this Agreement or the Limited Joinder (it being agreed that in the event such a Developer Reimbursement Event occurs, the City will not be entitled to recapture any City Funds from Quaker). Subject to the limitation in Section 8.19(f) of this Agreement and Section 2(f) of the Limited Joinder, 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 provided for under this Agreement or available at law or in equity, including but not limited to injunctive relief or the specific performance of the agreements contained herein, provided, however, that the City may not seek or obtain injunctive relief or any other court order preventing the execution of an unapproved Material Amendment. However, the City will be entitled to recapture from the Developer only any City Funds previously paid to the Developer under the Little Developer Note and the Big Developer Note only if the Developer Event of Default involves a Developer Reimbursement Event, except that with respect to a Developer Reimbursement Event described in clause (x1) of the definition thereof, the City shall only be entitled to recapture City Funds improperly received after the occurrence of the event that would have entitled the City to withhold, suspend, reduce or terminate disbursement of City Funds.

15.04 Quaker Default Doesn't Excuse Developer Performance.

A default by Quaker under the Quaker Lease or in its obligations under this Agreement or the Limited Joinder shall not (a) relieve the Developer from its obligations under this Agreement or, (b) constitute any defense, excuse of performance, release, discharge or similar form of equitable or other relief that would prevent or limit the City from declaring a Developer Event of Default or enforcing its remedies. For example, and without limiting the generality of the foregoing, if Quaker defaults under the Quaker Lease and vacates the Quaker Premises and this leads to a breach of the minimum leasing requirement and a Developer Event of Default, the City may exercise all applicable remedies.

15.05 Impact of Quaker Defaults On Developer Notes. The Developer has been provided with a copy of the Limited Joinder prior to the date hereof, has had opportunity for legal counsel to review it, and is familiar with its terms and conditions. The Developer understands that under this Agreement and the Limited Joinder, certain Quaker failures or defaults may result in the termination of this Agreement, the non-issuance of the Big Developer Note and the Little Developer Note, the suspension, reduction or termination of payments to the Developer with respect to the Big Developer Note or the Little Developer Note, or both, and/or the repayment of certain amounts previously paid with respect to the Big Developer Note or the Little Developer Note, or both, even in the absence of a Developer Event of Default. The Developer expressly consents to all such provisions.

15.06 Remedies Not Penal In Nature. The remedies set forth in this Section 15 constitute a material part of the City's bargained-for consideration and are a material inducement to its execution of this Agreement. The Developer acknowledges and agrees that such remedies are reasonable and not penal in nature and that, but for such remedies, the City would not have agreed to execute this Agreement.

15.07 Remedies Exercisable Against Current Owner. The City may exercise the remedies provided for in this Section 15 jointly and severally (provided, however, that in no instance shall the City be entitled to duplicative damages) against both (a) the person or entity holding title to the Property and (if different) the holder of the Big Developer Note and the Little Developer Note at the time the event giving rise to the Developer Event of Default occurred, and (b) the person or entity holding title to the Property and (if different) the holder of the Big Developer Note and the Little Developer Note at the time the City seeks enforcement of its remedies. For example, if the City is entitled to recapture amounts previously paid with respect to the Little Developer Note, the City may recover such amounts from either the owner of the Property or holder of such note at the time the underlying event giving rise to the Developer Event of Default occurred, or from the current owner of the Property, or some portion from both (subject to the limitation prohibiting the recovery of duplicative damages).

## SECTION 16. MORTGAGING OF THE PROJECT

The only mortgages encumbering the Property or any portion thereof as of the date hereof are those granted in favor of Key Bank and CBRE. Such mortgages and new mortgage(s) permitted under Section 8.01 are referred to herein collectively as the "Permitted Mortgage(s)," and the holder of any such Mortgage is referred to herein as a "Permitted Mortgagee." In the event that any Permitted Mortgagee succeeds to the Developer's fee simple interest in the Property or any portion thereof pursuant to the exercise of remedies under a Mortgage, whether by foreclosure or deed in lieu of foreclosure, and accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, and provided further that the City receives adequate written assurance from Quaker as to Quaker's intent to continue to comply with its obligations under this Agreement and the Quaker Lease (subject to Quaker's exercise of its rights thereunder), then 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, excluding only the right to be issued and to receive payments with respect to

the Little Developer Note, subject to the next sentence. If Key Bank so succeeds to the Developer's fee simple interest in the Property and executes such a written assignment and acceptance, and Key Bank, upon its subsequent Transfer of the Property, and after exercising all remedies available under the Lender Financing documents (including, without limitation, after drawing on any available letters of credit, making demand upon and receiving collection of amounts due under any guarantees and the realization of proceeds from the liquidation of any other collateral) realizes an aggregate amount (the "Recovered Amount") that is less than an amount (the "Benchmark Recovery Amount") equal to (a) the outstanding, unpaid principal balance of its loan to the Developer as of the date it acquired title to the Property, plus accrued interest thereon through such acquisition date (computed at the applicable non-default interest rate provided for under the Lender Financing, and without giving effect to any prepayment or other penalties or premiums), and (b) any reasonable and customary costs and expenses incurred by or on behalf of Key Bank in completing construction of, operating and selling the Project, less any revenues, income or payments received, then Key Bank will also be entitled to be issued and to receive payments with respect to the Little Developer Note. If the Benchmark Recovery Amount minus the Recovered Amount is a positive number less than \$4,000,000, the City shall issue the Little Developer Note to Key Bank in a maximum principal amount equal to the difference. If the Benchmark Recovery Amount minus the Recovered Amount is a positive number equal to or greater than \$4,000,000, the City will issue the Little Developer Note to Key Bank in the maximum principal amount of \$4,000,000.

Notwithstanding the preceding paragraph, if the Permitted Mortgagee is CBRE, CBRE will be entitled to be issued and to receive payments with respect to the Little Developer Note, subject to all terms and conditions applicable to such note. If any Permitted Mortgagee does not accept an assignment of the Developer's interest in accordance with Section 18.15, such Mortgagee shall be bound only by covenants specified in Section 8.02 (limited, however, to the completion of construction of the Building), 8.03 and 8.20 (but excluding the payment of the final \$200,000 required thereunder) that run with the land and shall have no right to the issuance of the Big Developer Note or the Little Developer Note, or receipt of any payments with respect thereto.

Notwithstanding anything to the contrary in the above paragraph, the City acknowledges and agrees that Key Bank will never be obligated to (a) make any payments to the City that might be required under the terms of this Agreement as a result

of a Developer Reimbursement Event unless the relevant act or omission is Key Bank's act or omission after Key Bank's acquisition of title to the Property, or (b) repay any City Funds previously received by the Monroe/Clinton, L.L.C. that may be subject to recapture or repayment from such entities under the terms of this Agreement.

The City agrees to provide Key Bank and any other Permitted Mortgagee notices sent pursuant to Section 17 and to permit such parties (other than CBRE) an additional 15 days to cure any default for which a cure period is provided for herein and, if applicable (including with respect to CBRE), to provide the aforesaid written assurance and acceptance of assignment of the Developer's interest.

#### 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) telescope 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:    Monroe/Clinton, L.L.C.  
                                   20 North Wacker Drive  
                                   Chicago, Illinois 60606  
                                   Attn: Steven D. Fifield

With a copy to:        Katz Randall Weinberg & Richmond  
                                   333 West Wacker Drive  
                                   Suite 1800  
                                   Chicago, Illinois 60606  
                                   Attn: Benjamin J. Randall

And to: Altheimer & Gray  
 10 South Wacker Drive  
 Suite 4000  
 Chicago, Illinois 60606  
 Attn: Maria Saldana

If to CBRE: CB Richard Ellis Strategic Partners,  
 L.P.  
 865 South Figueroa Street, 35<sup>th</sup> Floor  
 Los Angeles, California 90017  
 Attn: Mr. John M. Gilb

If to Key Bank: KeyBank National Association  
 127 Public Square  
 Cleveland, Ohio 44114  
 Attn: Commercial Real Estate Department

If to Quaker: The Quaker Oats Company  
 321 N. Clark Street  
 Chicago, Illinois 60610  
 Attn: General Counsel

And to: The Quaker Oats Company  
 321 North Clark Street  
 Chicago, Illinois 60610  
 Attn: Office of the Controller

With a Copy To: Piper Marbury Rudnick & Wolfe  
 203 N. LaSalle Street, Suite 1800  
 Chicago, Illinois 60601  
 Attn: Jeffrey S. Arnold

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.

Notwithstanding the foregoing, after Quaker occupies and begins business operations at the Quaker Premises, then notice shall be delivered to the designated Quaker recipients at the 555 West Monroe Street address for the Building, with a copy to its outside legal counsel.

**SECTION 18. MISCELLANEOUS**

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended without the prior written consent of the City, the Developer and Quaker; provided, however, that (a) the City shall have the unilateral right to amend Exhibit A (the legal description for the Area) and Exhibit D (the Plan), (b) the City and either the Developer or Quaker, as applicable, may amend those portions of the Agreement or Limited Joinder that only affect the City and such party without obtaining the third party's consent, but only after notice to the other non-consenting party.

18.02 Entire Agreement. This Agreement (including the Limited Joinder and each Exhibit attached hereto, which are 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, Quaker or any successor in interest to such parties 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 and Quaker agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05 Waiver. Waiver by the City, the Developer or Quaker with respect to any breach or default under 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, the Developer or Quaker in writing.

18.06 Remedies Cumulative. The remedies of the City 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, such ordinances 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. Prior to the Developer Note Issue Date, 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, which shall be in the City's sole discretion. After the Developer Note Issue Date, the Developer may make such an assignment provided any successor in interest to the Developer under this Agreement certifies in writing to the City its agreement to abide by all remaining executory terms of this Agreement for the Term of the Agreement, or such shorter period as may be expressly provided for herein. 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, Quaker, the City and their respective permitted successors and permitted assigns (as provided herein). Quaker is an intended third party beneficiary of this Agreement with respect to the rights and benefits conferred to Quaker hereunder, and by its execution of the Limited Joinder, has undertaken to comply with the obligations applicable to Quaker hereunder and under the Limited Joinder.

18.17 Force Majeure. Neither the City, the Developer nor Quaker nor any successor in interest to any 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 delay such party in discharging its obligations hereunder.

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 or Quaker is required to provide notice under the WARN Act, the Developer or Quaker, as applicable, 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 or Quaker has locations in the State. Failure by the Developer or Quaker 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 with respect to such party only.

18.20 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that it 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 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 warrant that, to the best of its knowledge after due inquiry, no violation of Section 2-145-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

18.21 No Third Party Beneficiary. This Agreement and, as applicable to Quaker only, the Limited Joinder, is for the sole and exclusive benefit of the City, Quaker, an Approved Successor, the Developer and their permitted successors and permitted assigns. No other person or entity (excluding Permitted Mortgagees, for purposes of Section 16), is an intended third party beneficiary or shall have the right to enforce any of the provisions of this Agreement.

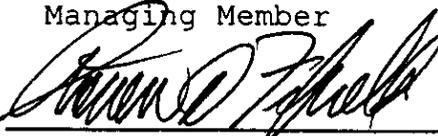
[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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.

DEVELOPER

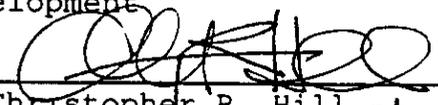
MONROE/CLINTON, L.L.C.

By: FRC Monroe, LLC  
Managing Member

By:   
\_\_\_\_\_  
Steven Fifield  
Managing Member

CITY

CITY OF CHICAGO, a municipal corporation, acting by and through its Department of Planning and Development

By:   
\_\_\_\_\_  
Christopher R. Hill  
Commissioner 

STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, Michelle Pickett, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Steven Fifield, personally known to me to be the managing member of FRC Monroe, LLC (the "Managing Member"), in its own capacity and in its capacity as managing member of Monroe/Clinton, L.L.C., an Illinois limited liability company (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the members of the Managing Member, as his free and voluntary act and as the free and voluntary act of the Managing Member and the Developer, for the uses and purposes therein set forth.

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



Michelle Pickett  
Notary Public

11/08/2003  
My Commission Expires

(SEAL)

STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

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

GIVEN under my hand and official seal this 1st day of November, 2000.

Michelle Pickett  
Notary Public



My Commission Expires 11/08/2003

(SEAL)

**LIMITED JOINDER**

This Limited Joinder is made as of this 30th day of October, 2000 by and between the City of Chicago, an Illinois municipal corporation, acting by and through its Department of Planning and Development, its successors and assigns (the "City") and The Quaker Oats Company, a New Jersey corporation ("Quaker"), and is attached to and forms a part of that certain 555 West Monroe Street Redevelopment Agreement dated October 30, 2000 (the "Agreement"), by and between the Developer and the City. Capitalized terms not defined herein shall have the meaning given in the attached Agreement.

**RECITALS**

A. Quaker and the Developer have previously entered into the Quaker Lease demising the Quaker Premises. Under Section 44 of the Quaker Lease, Quaker shall be entitled to a rent abatement or credit equal to amounts paid to the Developer with respect to the Big Developer Note.

B. The Developer and the City are simultaneously herewith executing the Agreement, pursuant to which the City will provide the Developer with City Funds and also make City Funds available to Quaker, subject to the terms and conditions contained therein and herein. The City is entering into the Agreement on the express condition that Quaker execute this Limited Joinder.

C. Quaker has voluntarily agreed to execute this Limited Joinder because it will receive the economic benefit described in Recital A and City Funds for Quaker TIF-Funded Costs relating to Quaker's operations at the Building, subject to the satisfaction of the conditions precedent to the disbursement of such City Funds.

**AGREEMENTS**

NOW, THEREFORE, in consideration of the recitals set forth above, the economic benefit to be received by Quaker under Section 44 of the Quaker Lease, the City Funds to be received by Quaker, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Quaker hereby agrees as follows:

1. Recitals and Defined Terms. The above recitals are incorporated herein by reference and constitute a material part of this Limited Joinder.

2. Quaker Lease Representations, Warranties and Covenants. Quaker represents, warrants and covenants, as of the date hereof and during the time period ending on the Tenth Anniversary Date as follows:

(a) assuming the due authorization and execution of the Quaker Lease by the Developer, the Quaker Lease is valid and binding as to Quaker and is unmodified (or if modified, modified only by (i) approved Material Amendments, (ii) amendments that are not unapproved Material Amendments, or (iii) unapproved Material Amendments described in clause (a) of the definition thereof, subject to the City's exercise its rights under Section 2(f) of this Limited Joinder), copies of which have been provided to DPD), and is in full force and effect;

(b) except for the Quaker Lease, there are no binding agreements (written or oral) between the Developer and Quaker which, taken as a whole, materially affect the economic relationship between Developer and Quaker with respect to the Property or the Quaker Lease;

(c) Quaker has delivered (and will deliver) to the City copies of any written notices delivered by Quaker to the landlord pursuant to the Quaker Lease alleging or asserting either (i) that the Developer is in Default (as defined in the Quaker Lease) under the Quaker Lease or that an event has occurred and or a condition exists which, with the giving of notice, or the lapse of time, or both, would constitute such a Default, or (ii) that it has current defenses, counterclaims, liens or claims of offset or credit under, or claims or currently exercisable termination rights under the Quaker Lease against the Developer;

(d) Quaker has performed all of its current obligations under the Quaker Lease;

(e) after the date hereof, and through the Tenth Anniversary Date, Quaker (i) shall give written notice of any assignment or subletting of any portion of the Quaker Premises, which notice shall include a calculation of the Excess Rent or excess consideration (as described in Section 14 of the Quaker Lease) arising from such assignment or subletting, (ii) shall deliver to DPD a copy of written notice of any change in circumstances of which Quaker has knowledge that makes the representations and warranties in Section 2(a) inaccurate (it being agreed by the City that if such change in circumstances is due to an act or omission by the landlord, Quaker shall not be deemed in default under the Agreement or this Limited Joinder if it has given such written notice); and (iii) comply with its obligations under the Quaker

Lease(subject to Quaker's exercise of whatever rights it may have in the case of a landlord default under the Quaker Lease); and

(f) after the date hereof and through the Tenth Anniversary Date, Quaker, as tenant under the Quaker Lease, shall not agree to a Material Amendment of the Quaker Lease without the prior written consent of DPD, which consent shall be in DPD's sole discretion. Notwithstanding the foregoing, if Quaker requests DPD to consent to a Material Amendment described only in clause (a) of the definition thereof and DPD withholds its consent, then Quaker may proceed to enter into such a Material Amendment without such action being considered a breach of this Section 2(f) or a Quaker Event of Default, provided, however, that the City shall nonetheless be entitled to exercise one, more than one or all of the rights described in Section 9(b) of the Limited Joinder but shall have no other right or remedy with respect to such Material Amendment.

3. General Agreement Representations, Warranties and Covenants. Quaker represents, warrants and covenants as of the date hereof, and during the time period ending on the Tenth Anniversary Date (and except as to those construction-related representations, warranties and covenants of Quaker that shall earlier terminate upon the City's issuance of a Quaker Final Certificate):

(a) Quaker is a New Jersey corporation, 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 (provided that the failure to be qualified to do business in any state other than Illinois shall not be a breach of this representation and warranty unless such failure materially impairs Quaker's ability to perform its obligations under the Agreement and this Limited Joinder);

(b) Quaker has the right, corporate power and authority to enter into, execute, deliver and perform its obligations under the Agreement and this Limited Joinder;

(c) the execution, delivery and performance by Quaker of its obligations under the Agreement and this Limited Joinder has been duly authorized by all necessary corporate action, and does not violate the Articles of Incorporation or the by-laws of Quaker, as the same may be amended and supplemented, nor any applicable provision of law, nor does it constitute a breach of, default under or require any consent under any agreement, instrument or document to which Quaker is now a party or may become bound;

(d) Quaker shall remain solvent and able to pay its debts as they mature;

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

(f) Quaker has obtained (or will obtain, prior to the commencement of construction of the Quaker Project and the conduct of business at the Quaker Premises) and shall maintain all government permits, certificates and consents necessary to conduct its business at the Quaker Premises and to construct, complete and operate the Quaker Project (except such permits or certificates as may be the landlord's responsibility under the Quaker Lease);

(g) Prior to the issuance of a Quaker Final Certificate, Quaker shall not, without the prior written consent of the Commissioner of DPD, cause any liens against the Property other than the Permitted Liens; and Quaker has not incurred and will not incur during such time period any indebtedness, secured or to be secured by the Property or any fixtures attached thereto (excluding equipment financing and purchase money security interests in personal property located on the Property);

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

(i) After Quaker's receipt of all required building permits and governmental approvals, Quaker shall complete the Quaker Project in accordance with the applicable provisions of the Agreement and all Exhibits attached hereto, the TIF Ordinances, the Quaker Plans and Specifications, the Quaker 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 Quaker;

(j) the Quaker Project is and shall be in material compliance with all of the terms of the Redevelopment Plan;

(k) City Funds disbursed directly to Quaker shall be used by Quaker solely to reimburse Quaker for Quaker TIF-Funded Costs;

(l) Quaker shall, at the request of the City, agree to any reasonable amendments to the Agreement and this Limited Joinder that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Project or the Area; provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Developer project, or Quaker or the Quaker Project. Quaker shall cooperate and provide reasonable assistance in connection with the marketing of any such bonds, including but not limited to providing written descriptions of the Quaker Project and providing information and assisting the City in preparing an offering statement with respect thereto. Quaker shall not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Quaker that is determined to be false or misleading.

(m) Quaker covenants and agrees to abide by, and to contractually obligate and use reasonable efforts to cause the Quaker General Contractor to abide by and to cause each of its subcontractors to abide by the terms set forth in Section 10 of the Agreement;

(n) Quaker shall submit, and shall contractually obligate and use reasonable efforts to cause the Quaker General Contractor to submit and to contractually obligate its subcontractors to submit, to DPD, from time to time, statements of their respective employment profiles upon DPD's request;

(o) Quaker covenants and agrees to pay, and to contractually obligate and cause the Quaker General Contractor to pay and to contractually obligate each of its subcontractors to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Quaker Project construction 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 contracts. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, Quaker shall provide the City with copies of all such contracts to evidence compliance with this Section 3(o);

(p) Unless DPD shall have given its prior written consent with respect thereto, which consent shall not be unreasonably withheld, and except as explicitly disclosed in the Quaker Project Budget or otherwise approved in writing by DPD, which approval shall not be unreasonably withheld, neither Quaker nor any Affiliate may receive, directly or indirectly, any payment for work

done, services provided or materials supplied in connection with the Quaker Project. The preceding limitation shall apply only to construction costs related to the Quaker Project and shall not apply to job training and day care costs. Quaker shall provide information with respect to any entity receiving, directly or indirectly, any such payment upon DPD's request, prior to any disbursement of City Funds or otherwise;

(q) Pursuant to Section 5/11-74.4-4(n) of the Act, Quaker 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 Quaker Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or Quaker 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 Quaker business (except as a holder of publicly-traded shares of Quaker stock, or warrants or options relating to such shares), the Property or any other property in the Redevelopment Area (excluding property used exclusively as a principal residence);

(r) Quaker's counsel has no direct or indirect financial ownership interest in the Property or any other aspect of the Project;

(s) Quaker, at its own expense (or, with respect to coverages required to be carried by other parties, such other parties' expense), shall comply with all insurance provisions of Section 12 of the Agreement applicable to Quaker (subject to such self-insurance as Quaker may carry with respect to one or more of the required coverages);

(t) Except for the Permitted Liens and costs or charges (including any Non-Governmental Charge) which the Developer or landlord under the Quaker Lease is responsible for paying, Quaker agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Quaker Project, the Quaker Premises 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, Quaker 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. Quaker 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. Quaker shall have 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, or any portion thereof (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Quaker's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 3(t); or

(11) to furnish security in the form of a written undertaking by Quaker 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, or the preservation of the encumbrance of the Agreement and this Limited Joinder, during the pendency of such contest, which undertaking shall include a commitment to pay fully any such contested Non Governmental Charge and all interest and penalties upon the adverse determination of such contest;

(u) the Quaker Project is 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 Quaker Project and the Property. Upon the City's request, Quaker shall provide evidence reasonably satisfactory to the City of such compliance.

(v) Quaker agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Quaker, the Quaker Premises or the Quaker Project, or become due and payable, and which create, may create, or appear to create a lien upon all or any portion of the Property or the Project, excluding, however, costs or charges which the Developer or landlord under the Quaker Lease is responsible for paying. "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 relating to Quaker, the Quaker Premises or the Quaker Project. Quaker shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted

A

**B**

EXHIBIT B  
PROPERTY LEGAL DESCRIPTION

- (A) LOTS 2 AND 3, EXCEPT THE SOUTH 14.08 FEET OF SAID LOT 3, IN CHARLES WESENCRAFT'S SUBDIVISION OF LOTS 3, 4, 5 AND 6 IN BLOCK 47 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.
- (B) ALL OF LOTS 1 THROUGH 6, BOTH INCLUSIVE, IN WARD'S SUBDIVISION OF LOT 1 IN BLOCK 47 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.
- (C) ALL THOSE PARTS OF LOT 7 IN WARD'S SUBDIVISION OF LOT 1 IN BLOCK 47, AND OF LOT 2 IN BLOCK 47 OF SCHOOL SECTION ADDITION TO CHICAGO, AND OF LOT 1 IN CHARLES WESENCRAFT'S SUBDIVISION OF LOTS 3, 4, 5 AND 6 IN BLOCK 47 OF SCHOOL SECTION ADDITION TO CHICAGO, LYING NORTH OF A LINE 124.86 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF WEST MONROE STREET IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.
- (D) THE VACATED NORTH-SOUTH 10 FOOT PUBLIC ALLEY LYING EAST OF AND ADJOINING LOT 1 AND WEST OF AND ADJOINING LOTS 2 AND 3 IN CHARLES WESENCRAFT'S SUBDIVISION LOTS 3,4,5 AND 6 IN BLOCK 47 OF SCHOOL SECTION ADDITION TO CHICAGO, ALL LYING NORTH OF A LINE 124.86 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF WEST MONROE STREET, IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 555 West Monroe Street, Chicago, Illinois

PINs as of Closing Date: 17-16-107-001  
 17-16-107-002  
 17-16-107-003  
 17-16-107-007  
 17-16-107-008  
 17-16-107-015  
 17-16-107-016  
 17-16-107-017

Subsequent to the Closing Date, the Developer shall take such actions as are required to cause Parcels (A), (B), (C) and (D) to be taxed under separate PINs. Only Incremental Taxes from such separate PINs shall give rise to Available Incremental Taxes (subject further to the base year designation in the definition of Available Incremental Taxes).

C

## EXHIBIT C

### QUAKER JOB TRAINING PROGRAM

In accordance with Section 4(b) of the Limited Joinder, Quaker may develop and implement a job training and/or retraining program (the "Quaker Training Program") during the period through the third anniversary date of the Job Creation Date for FTEs located (or to be located) at the Building. The Quaker Training Program may include, but not be limited to, training of Quaker employees in the areas of Human Resources Development, Leadership Training and Development, E-Commerce, Business Solutions, Information Systems ("I/S") and Computer Training (which may include both proprietary and third-party software and hardware), Human Resources I/S Training and Diversity Training. Portions of the Quaker Training Program may be conducted at Quaker's offices and at off-site training facilities and may be developed and conducted by both Quaker personnel and third-party instructors and training facilitators. Details of the Quaker Training Program shall be provided to and approved by DPD and the Mayor's Office of Workforce Development.

#

D

EXHIBIT D

CANAL/CONGRESS REDEVELOPMENT PLAN

[OMITTED FOR RECORDING PURPOSES]

- - -

**E**

## EXHIBIT E

## APPROVED TENANTS LIST

Any tenant shall be an approved tenant unless it uses the ground floor retail space for one of the uses listed below:

1. Astrology, card-reading, palm-reading or fortune telling in any form
2. Auto Accessory Stores
3. Fast food restaurants:

National restaurants where most customers order and are served their food at a counter in packages prepared to leave the premises, or able to be taken to a counter to be consumed at such restaurants and such restaurants:

-are part of a chain or franchised restaurant where standardized floor plates are used at several locations; and  
-furnishing plan for such restaurant indicates hard-finished, stationary seating arrangements

4. Currency Exchanges
5. Employment Agencies
6. Inter-track waging facility
7. Laundries/Laundrettes
8. Loan Offices
9. Offices (business and professional), except for:  
commercial enterprises that provide goods and/or services directly to the consumer, where such goods are available for purchase and removal from the premises by the purchaser.
10. Pawn Shops
11. Pay day loan store
12. Plumbing showroom and shops
13. Second hand stores and rummage shops
14. Tattoo Parlors
15. Travel Bureaus and Transportation Ticket Offices

**F**

EXHIBIT F-1

FORM OF BIG DEVELOPER NOTE

REGISTERED  
NO. [\_\_\_\_\_]

MAXIMUM AMOUNT  
\$5,750,000

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
CANAL/CONGRESS REDEVELOPMENT PROJECT AREA  
(555 WEST MONROE STREET PROJECT)

THIS LIMITED OBLIGATION NOTE IS PAYABLE SOLELY FROM CERTAIN ALLOCATED AVAILABLE INCREMENTAL TAXES, AS DEFINED AND MORE PARTICULARLY DESCRIBED IN THAT CERTAIN 555 WEST MONROE STREET REDEVELOPMENT AGREEMENT BETWEEN MONROE/CLINTON, L.L.C. AND THE CITY OF CHICAGO DATED \_\_\_\_\_, 2000. IF NO SUCH ALLOCATED AVAILABLE INCREMENTAL TAXES EXIST, THE CITY OF CHICAGO SHALL HAVE NO OBLIGATION WHATSOEVER TO MAKE ANY PAYMENTS OF PRINCIPAL OR INTEREST UNDER THIS NOTE.

Registered Owner: Monroe/Clinton, L.L.C.

Interest Rate: A fixed interest rate equal to nine percent (9.00%) per annum

Maturity Date: December \_\_\_\_, 2021, or such earlier date as may be applicable hereunder.

**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, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of Five Million Seven Hundred Fifty Thousand and No/100 Dollars (\$5,750,000), or such lesser amount as remains outstanding from time to time (the "Indebtedness"), in accordance with the terms of this Note, the Ordinance and that certain 555 West Monroe Street Redevelopment Agreement between the City and the Monroe/Clinton, L.L.C. dated \_\_\_\_, 2000 (the "Redevelopment Agreement"), to which The Quaker Oats Company has executed a Limited Joinder (the "Limited

Joinder”). The City shall also pay the Registered Owner interest at the Interest Rate from the date of this Note on the Indebtedness, subject to the terms and conditions of the Redevelopment Agreement and the Limited Joinder. Capitalized terms used in this Note and not otherwise defined shall have the meanings set forth in the Redevelopment Agreement and the Limited Joinder.

The Interest Rate payable with respect to the Indebtedness shall be a fixed interest rate of nine percent (9.00%) per annum. Interest under this Note shall be computed on the basis of a 360-day year of twelve 30-day months.

In the event that any interest is not paid within sixty (60) days of the Annual Payment Date, then on each such Annual Payment Date, accrued and unpaid interest shall compound until paid. Subject to the satisfaction of all conditions to payment set forth in the Redevelopment Agreement and the Limited Joinder, principal and interest on this Note, to the extent of any Available Incremental Taxes, if any, allocated to this Note under Section 4.02(c) of the Redevelopment Agreement, as determined by the City, is due within sixty (60) days of each December 1st (the “Annual Payment Date”) after the date of this Note until the earlier of maturity, payment of the Note in full, or cancellation of this Note. Payments shall first be applied to interest. In the event that Incremental Taxes are received by the City more than one time per year pursuant to the TIF Act (as hereinafter defined), the City, in its sole discretion, may elect to make payments under this Note two times per year. If the City elects to make two payments a year, the second payment date shall be a date selected by the City and shall also constitute an “Annual Payment Date” for purposes of the compounding of interest described in the first sentence of this paragraph.

**Notwithstanding anything in this Note to the contrary, this Note, and the payment of principal and/or interest otherwise due hereunder, is, under certain circumstances specified in the Redevelopment Agreement and the Limited Joinder, subject to cancellation, suspension, offset and/or reduction. Reference is made, without limitation, to Sections 4.02(f) and (g) and Sections 15.03(e), 15.03(f), 15.03(g) and 15.05 of the Redevelopment Agreement, and Sections 9(b) and 9(c) of the Limited Joinder, which set forth certain such circumstances. The terms of the Redevelopment Agreement and the Limited Joinder are incorporated herein by reference as if fully set forth herein. In the event of a conflict between the terms of this Note and the terms of the Redevelopment Agreement and the Limited Joinder, the**

**terms of the Redevelopment Agreement and the Limited Joinder shall be controlling.**

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 prepayment date, and shall be paid by check or draft of the Registrar (or, at the City's sole election, by wire transfer of funds), 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 (or, if the City elects to pay by wire transfer, to such account as the Registered Owner may direct by written wire transfer instructions); 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. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the Maximum Amount for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Monroe/Clinton, L.L.C. on behalf of the City in connection with the acquisition of the Property and construction of the Building (both as defined in the Redevelopment Agreement) in the Canal/Congress 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 \_\_\_\_\_, 2000 (the "Ordinance"), in all respects as by law required, and in accordance with the terms of the Redevelopment Agreement and the Limited Joinder.

Reference is hereby made to Section 2 (the definition of "Available Incremental Taxes") and Sections 4.02 and 4.03 of the Redevelopment Agreement and to the aforesaid Ordinance for a description, among others, with respect to the determination, custody, allocation and application of any Available Incremental Taxes and the terms and conditions under which this Note is issued.

THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM CERTAIN ALLOCATED AVAILABLE INCREMENTAL TAXES. 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 OR INTEREST OF THIS NOTE.

The principal of this Note is subject to prepayment on any date (including, without limitation, in accordance with Section 8.05 of the Redevelopment Agreement), in whole or in part, without premium or penalty, at 100% of the principal amount thereof being prepaid, plus accrued interest. Notice of any such prepayment shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for prepayment to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar, subject to the last paragraph of this Note.

This Note is issued in fully registered form in the denomination of Five Million Seven Hundred Fifty Thousand and No/100 Dollars (\$5,750,000). This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note will be 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, the Redevelopment Agreement, the Limited Joinder and this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount, or having such other terms as the City may require under the Redevelopment Agreement and the Limited Joinder, will be issued to the transferee in exchange herefor. The Registered Owner shall not have the right to request that the Registrar issue multiple notes having an aggregate principal balance equal to the surrendered and canceled Note. 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 has been mailed, nor during a period of five (5) days next preceding mailing of a notice of prepayment of

this Note. Such transfer shall be by a written instrument in a form acceptable to the City.

This Note shall be executed as the Ordinance provides and upon execution delivered by the Comptroller to the Registered Owner upon satisfaction of the provisions of the Ordinance.

In reliance on and pursuant to the Redevelopment Agreement, the Registered Owner has acquired the Property and constructed the Building and advanced funds on behalf of the City for certain Building TIF-Funded Costs (as defined in the Redevelopment Agreement). The cost of such Building TIF-Funded Costs, in the maximum amount up to Five Million Seven Hundred Fifty Thousand and No/100 Dollars (\$5,750,000) shall, upon execution by the City of the Certificate of Authentication attached to this Note, be deemed to be a disbursement of the proceeds of this Note in an amount equal to Five Million Seven Hundred Fifty Thousand and No/100 Dollars (\$5,750,000). The City acknowledges and agrees that as of the date of this Note, the Registered Owner has advanced funds and incurred redevelopment project costs related to the Building TIF-Funded Costs in an amount not less than Nine Million Seven Hundred Fifty-Thousand and No/100 Dollars (\$9,750,000).

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.

[SIGNATURE PAGE FOLLOW]

**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 signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
Mayor

(SEAL)

Attest:

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

**CERTIFICATE  
OF  
AUTHENTICATION**

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note Canal/Congress Redevelopment Project Area (555 West Monroe Street Redevelopment Project) (Maximum Amount \$5,750,000) of the City of Chicago, Cook County, Illinois.

Registrar and Paying  
Agent:

\_\_\_\_\_  
Comptroller of City of  
Chicago, Cook County,  
Illinois

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

**PRINCIPAL PAYMENT RECORD**

<u>DATE OF PAYMENT</u>	<u>PRINCIPAL PAYMENT</u>	<u>PRINCIPAL BALANCE DUE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

## EXHIBIT F-2

## FORM OF LITTLE DEVELOPER NOTE

REGISTERED  
NO. [\_\_\_\_\_]

MAXIMUM AMOUNT  
\$4,000,000

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
CANAL/CONGRESS REDEVELOPMENT PROJECT AREA  
(555 WEST MONROE STREET PROJECT)

THIS LIMITED OBLIGATION NOTE IS PAYABLE SOLELY FROM CERTAIN ALLOCATED AVAILABLE INCREMENTAL TAXES, AS DEFINED AND MORE PARTICULARLY DESCRIBED IN THAT CERTAIN 555 WEST MONROE STREET REDEVELOPMENT AGREEMENT BETWEEN MONROE/CLINTON, L.L.C. AND THE CITY OF CHICAGO DATED \_\_\_\_\_, 2000. IF NO SUCH ALLOCATED AVAILABLE INCREMENTAL TAXES EXIST, THE CITY OF CHICAGO SHALL HAVE NO OBLIGATION WHATSOEVER TO MAKE ANY PAYMENTS OF PRINCIPAL OR INTEREST UNDER THIS NOTE.

Registered Owner: Monroe/Clinton, L.L.C.

Interest Rate: A fixed interest rate equal to nine percent (9.00%) per annum

Maturity Date: December \_\_\_\_, 2021, or such earlier date as may be applicable hereunder.

**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, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of Four Million and No/100 Dollars (\$4,000,000), or such lesser amount as remains outstanding from time to time (the "Indebtedness"), in accordance with the terms of this Note, the Ordinance and that certain 555 West Monroe Street Redevelopment Agreement between the City and Monroe/Clinton, L.L.C. dated \_\_\_\_\_, 2000 (the "Redevelopment Agreement"), to which The Quaker Oats Company has executed a Limited Joinder (the "Limited Joinder"). The City shall also pay

the Registered Owner interest at the Interest Rate from the date of this Note on the Indebtedness, subject to the terms and conditions of the Redevelopment Agreement. Capitalized terms used in this Note and not otherwise defined shall have the meanings set forth in the Redevelopment Agreement.

The Interest Rate payable with respect to the Indebtedness shall be a fixed interest rate of nine percent (9.00%) per annum. Interest under this Note shall be computed on the basis of a 360-day year of twelve 30-day months.

In the event that any interest is not paid within sixty (60) days of the Annual Payment Date, then on each such Annual Payment Date, accrued and unpaid interest shall compound until paid. Subject to the satisfaction of all conditions to payment set forth in the Redevelopment Agreement, principal and interest on this Note, to the extent of any Available Incremental Taxes, if any, allocated to this Note under Section 4.02(c) of the Redevelopment Agreement, as determined by the City, is due within sixty (60) days of each December 1st (the "Annual Payment Date") after the date of this Note until the earlier of maturity, payment of the Note in full, or cancellation of this Note. Payments shall first be applied to interest. In the event that Incremental Taxes are received by the City more than one time per year pursuant to the TIF Act (as hereinafter defined), the City, in its sole discretion, may elect to make payments under this Note two times per year. If the City elects to make two payments a year, the second payment date shall be a date selected by the City and shall also constitute an "Annual Payment Date" for purposes of the compounding of interest described in the first sentence of this paragraph.

**Notwithstanding anything in this Note to the contrary, this Note, and the payment of principal and/or interest otherwise due hereunder, is, under certain circumstances specified in the Redevelopment Agreement and the Limited Joinder, subject to cancellation, suspension, offset and/or reduction. Reference is made, without limitation, to Sections 4.02(e) and Sections 15.03(b), 15.03(d), 15.03(e), 15.03(f), 15.03(g), and 15.05 of the Redevelopment Agreement and Section 9(a) of the Limited Joinder, which set forth certain such circumstances. The terms of the Redevelopment Agreement and the Limited Joinder are incorporated herein by reference as if fully set forth herein. In the event of a conflict between the terms of this Note and the terms of the Redevelopment Agreement and the Limited Joinder, the terms of the Redevelopment Agreement and the Limited Joinder shall be controlling.**

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 prepayment date, and shall be paid by check or draft of the Registrar (or, at the City's sole election, by wire transfer of funds), 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 (or, if the City elects to pay by wire transfer, to such account as the Registered Owner may direct by written wire transfer instructions); 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. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the Maximum Amount for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Monroe/Clinton, L.L.C. on behalf of the City in connection with the acquisition of the Property and construction of the Building (both as defined in the Redevelopment Agreement) in the Canal/Congress 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 \_\_\_\_\_, 2000 (the "Ordinance"), in all respects as by law required, and in accordance with the terms of the Redevelopment Agreement and the Limited Joinder.

Reference is hereby made to Section 2 (the definition of "Available Incremental Taxes") and Sections 4.02 and 4.03 of the Redevelopment Agreement and to the aforesaid Ordinance for a description, among others, with respect to the determination, custody, allocation and application of any Available Incremental Taxes and the terms and conditions under which this Note is issued.

**THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM CERTAIN ALLOCATED AVAILABLE INCREMENTAL**

**TAXES. 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 OR INTEREST OF THIS NOTE.**

The principal of this Note is subject to prepayment on any date (including, without limitation, in accordance with Section 8.05 of the Redevelopment Agreement), in whole or in part, without premium or penalty, at 100% of the principal amount thereof being prepaid, plus accrued interest. Notice of any such prepayment shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for prepayment to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar, subject to the last paragraph of this Note.

This Note is issued in fully registered form in the denomination of Four Million and No/100 Dollars (\$4,000,000). This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note will be 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, the Redevelopment Agreement and this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount, or having such other terms as the City may require under the Redevelopment Agreement, will be issued to the transferee in exchange herefor. The Registered Owner shall not have the right to request that the Registrar issue multiple notes having an aggregate principal balance equal to the surrendered and canceled Note. 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 has been mailed, nor during a period of five (5) days next preceding mailing of a notice of prepayment of this Note. Such transfer shall be by a written instrument in a form acceptable to the City.

This Note shall be executed as the Ordinance provides and upon execution delivered by the Comptroller to the Registered Owner upon satisfaction of the provisions of the Ordinance.

In reliance on and pursuant to the Redevelopment Agreement, the Registered Owner has acquired the Property and constructed the Building and advanced funds on behalf of the City for certain Building TIF-Funded Costs (as defined in the Redevelopment Agreement). The cost of such Building TIF-Funded Costs, in the maximum amount up to Four Million and No/100 Dollars (\$4,000,000) shall, upon execution by the City of the Certificate of Authentication attached to this Note, be deemed to be a disbursement of the proceeds of this Note in an amount equal to Four Million and No/100 Dollars (\$4,000,000). The City acknowledges and agrees that as of the date of this Note, the Registered Owner has advanced funds and incurred redevelopment project costs related to the Building TIF-Funded Costs in an amount not less than Nine Million Seven Hundred Fifty-Thousand and No/100 Dollars (\$9,750,000).

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 signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
Mayor

(SEAL)

Attest:

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

z

**CERTIFICATE  
OF  
AUTHENTICATION**

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note Canal/Congress Redevelopment Project Area (555 West Monroe Street Redevelopment Project) (Maximum Amount \$4,000,000) of the City of Chicago, Cook County, Illinois.

Registrar and Paying Agent:

\_\_\_\_\_  
Comptroller of City of  
Chicago, Cook County,  
Illinois

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

**PRINCIPAL PAYMENT RECORD**

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**G**

00866230

EXHIBIT G

BUILDING CONSTRUCTION CONTRACT

[OMITTED FOR RECORDING PURPOSES]

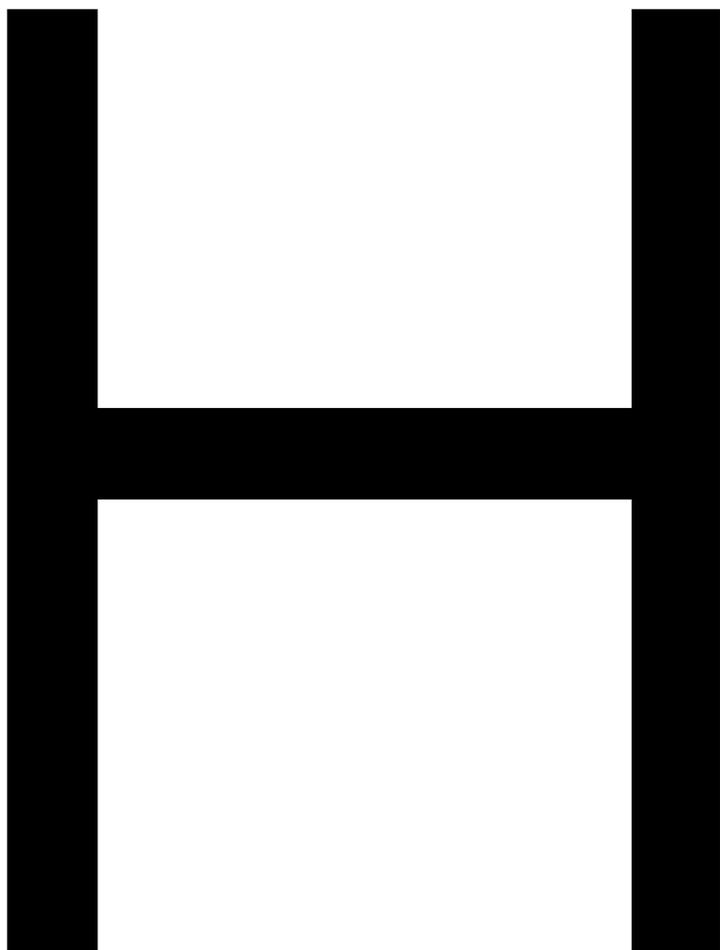


EXHIBIT H-1

Building Project Budget

FINAL 555 WEST MONROE ST. DEVELOPMENT BUDGET

17 Story Office Building Development  
 468,800 gross square feet building  
 419,728 rentable square foot building

Per Closing on 10/31/2000

Building 1

419,728

00865230

LINE ITEMS	COMPLETION BUDGET			TOTAL BUDGET a + b + c	Cost P/R MRA
	ACQ & LOAN OPEN BUDGET	CORE & SHELL BUDGET	LEASE UP BUDGET		
	a	b	c		
<b>ACQUISITION</b>					
LAND ALLOCATION	\$11,000,000	\$0	\$0	\$11,000,000	\$26.21
TRANSFER TAXES	\$81,000	\$0	\$0	\$81,000	\$0.19
LAND DEVELOPMENT/PLANNING	\$31,976	\$0	\$0	\$31,976	\$0.08
R.E.TAX & INCOME PRORATION	(\$142,824)	\$0	\$0	(\$142,824)	(\$0.34)
<b>*TOTAL ACQUISITION</b>	<b>\$10,970,352</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,970,352</b>	<b>\$26.14</b>
<b>LAND &amp; BUILDING DEVELOPMENT COSTS</b>					
<b>LAND &amp; BUILDING (Phase 0)</b>					
SITE & BLDG COSTS - GMP	\$40,000	\$38,460,000	\$0	\$38,500,000	\$88.86
RETAINAGE @ 10.00%	\$0	\$0	\$0	\$0	\$0.00
OWNERS HARD COSTS	\$0	\$170,000	\$0	\$170,000	\$0.41
OWNERS FF&E (Health Club & Cafeteria)	\$0	\$450,000	\$0	\$450,000	\$1.07
	\$0	\$0	\$0	\$0	\$0.00
	\$0	\$0	\$0	\$0	\$0.00
<b>*TOTAL BUILDING DEV COSTS</b>	<b>\$40,000</b>	<b>\$39,060,000</b>	<b>\$0</b>	<b>\$39,100,000</b>	<b>\$88.44</b>
<b>TENANT INSTALLATION BUDGET (Phase 0)</b>					
TENANT IMPROVE. COSTS (Less \$800,000 GMP Credit)	\$0	\$0	\$10,712,805	\$10,712,805	\$46.87
LEASING COMMISSIONS	\$1,751,260	\$0	\$2,700,805	\$4,452,065	\$10.61
BASE SPACE PLANNING	\$3,136	\$0	\$46,863	\$50,000	\$0.12
LEGAL FEES - Leasing	\$34,705	\$0	\$28,295	\$63,000	\$0.15
MARKETING	\$5,159	\$0	\$44,841	\$50,000	\$0.12
	\$0	\$0	\$0	\$0	\$0.00
<b>*TOTAL TENANT INSTALL COSTS</b>	<b>\$1,784,252</b>	<b>\$0</b>	<b>\$22,530,708</b>	<b>\$24,314,960</b>	<b>\$57.59</b>
<b>SOFT COSTS / INTEREST / CONTINGENCY</b>					
<b>BUILDING DEVELOPMENT (Phase 0)</b>					
DEVELOPER FEE	\$200,000	\$1,000,000	\$700,000	\$1,900,000	\$4.53
ARCHITECTS & ENGINEERS	\$908,433	\$760,667	\$0	\$1,700,000	\$4.17
LEGAL FEES - OWNERSHIP CLOSING/LOAN/ZONING	\$326,861	\$30,630	\$0	\$357,500	\$0.85
CLOSING COSTS - CONSTRUCTION LOAN & TITLE	\$161,884	\$97,387	\$0	\$222,834	\$0.53
FEES / PERMITS - Foundation/Utility/Expediting/Perk	\$12,897	\$527,103	\$0	\$540,000	\$1.29
MISC. TESTING & CONSULTANTS	\$42,696	\$132,304	\$0	\$175,000	\$0.42
INSURANCE DURING CONSTRUCTION	\$342,264	\$968,916	\$0	\$939,180	\$2.24
TAXES DURING CONSTRUCTION	\$0	\$225,000	\$0	\$225,000	\$0.54
WORKING CAPITAL / PRE CLOSING INTERIM DEFICITS	\$50,000	\$50,000	\$0	\$100,000	\$0.24
LOAN FEES @ 1% + \$188,825	\$615,825	\$0	\$0	\$615,825	\$1.48
NET INCOME OFFSET	\$0	\$0	\$0	\$0	\$0.00
<b>LETTER OF CREDIT COSTS</b>					
DE RICHARD ELLIS FEES ADMIN FEE	\$184,871	\$28,125	\$0	\$192,796	\$0.46
DE RICHARD ELLIS FEES ADMIN FEE	\$0	\$44,000	\$0	\$44,000	\$0.10
DE RICHARD ELLIS FEES @2.25%	\$531,000	\$0	\$0	\$531,000	\$1.27
	\$0	\$0	\$0	\$0	\$0.00
<b>PROJECT CONTINGENCY</b>	<b>\$0</b>	<b>\$2,800,000</b>	<b>\$0</b>	<b>\$2,800,000</b>	<b>\$6.86</b>
POST CLOSING NET DEFICIT / (INCOME)	\$0	\$0	\$0	\$0	\$0.00
CONSTR. PERIOD INTEREST (Swap/Hedge Fee if req.)	\$0	\$3,235,478	\$1,688,989	\$4,924,467	\$11.88
<b>*TOTAL CONSTRUCTION SOFT COSTS</b>	<b>\$3,837,130</b>	<b>\$11,181,383</b>	<b>\$2,288,260</b>	<b>\$17,084,773</b>	<b>\$40.70</b>
<b>GRAND TOTAL</b>					
	<b>\$16,431,734</b>	<b>\$48,271,383</b>	<b>\$24,786,068</b>	<b>\$89,489,185</b>	<b>\$213.21</b>
<b>EQUITY FUNDING</b>					
	<b>(\$16,431,734)</b>	<b>(\$16,188,288)</b>	<b>\$0</b>	<b>(\$32,620,022)</b>	<b>28.72%</b>
<b>TOTAL LOAN OUTSTANDING AT CLOSING</b>					
	<b>\$0</b>	<b>\$38,103,117</b>	<b>\$22,880,085</b>	<b>\$60,983,202</b>	
<b>LOAN AVAILABLE FOR COMPLETION / LEASEUP / TOTAL</b>					
			<b>\$62,880,085</b>		
<b>TOTAL LOAN MAX</b>					
			<b>\$62,880,085</b>		

Year 1 Interest Rate @ 6.75%  
 Year 2-4 Interest Rate @ 9.00%  
 30 day LIBOR @ 6.75% +200 bp  
 30 day LIBOR @ 7.00% +200 bp

## EXHIBIT H-2

## Quaker Project Budget

Interior Construction	\$ 3,750,000
Fire Protection	\$ 450,000
Electrical	\$ 4,500,000
Raised Flooring (10,000 sq ft )	\$ 150,000
Mechanical	\$ 2,700,000
Security	\$ 300,000
General Conditions	\$ 948,000
Contractor Overhead/Profit	\$ 513,000
Furniture	\$ 7,950,000
Furniture Installation	\$ 600,000
Carpeting	\$ 900,000
Telecom Cabling	\$ 1,050,000
Telecom	\$ 750,000
Moving	\$ 270,000
Architectural/Engineering	\$ 1,350,000
Project Management Fee	\$ 350,000
Contingency	<u>\$ 2,653,000</u>
<b>Total</b>	<b>\$29,184,000*</b>

\* Of such amount, \$15,180,000 will be paid by the Developer as a tenant improvement and is also included in the Building Project Budget. The remaining \$14,004,000 will be funded by Quaker.



EXHIBIT I

FORM OF NOTICE OF PROPOSED [[TRANSFER]][[REFINANCING]]

[DEVELOPER'S LETTERHEAD]

[DATE]

BY MESSENGER

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

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

Re: 555 West Monroe Street Redevelopment Agreement  
[[Refinancing]][[Sale]] of 555 West Monroe Street

Dear Commissioners:

This letter is written pursuant to Section 8.01(k) of the 555 West Monroe Street Redevelopment Agreement dated \_\_\_\_\_, 2000 (the "Agreement") and constitutes the written notice of Monroe/Clinton, L.L.C. of the proposed[[transfer]][[refinancing]] of the Property. A summary of the principal terms of the proposed [[transfer]][[refinancing]] is attached hereto as Schedule 1. If the City has further questions concerning the proposed [[transfer]][[refinancing]], such questions should be directed to [INSERT NAME, ADDRESS, AND PHONE NUMBER OF PERSON TO BE CONTACTED].

Sincerely yours,

[DEVELOPER SIGNATURE BLOCK]

Schedule 1 to Exhibit I

Summary of Principal Terms

Legal Description:

Street Address:

Description of  
Improvements:

Current Use:

Intended Use:

Buyer:<sup>1</sup>

Price:

Lender:

Proposed  
Closing Date:

Other Material  
Terms of Sale  
or Refinancing:

Calculation of  
Little Developer Note  
Reduced Principal Amount  
(if any):

---

<sup>1</sup> Attach organizational chart depicting upper-tier ownership interests in Buyer identifying all persons and entities having a direct or indirect ownership interest in Buyer.

00866230

Schedule 2 to Exhibit I

[FORM OF CERTIFICATION BY PROPOSED TRANSFEREE]

[LETTERHEAD OF PROPOSED TRANSFEREE]

[DATE]

BY MESSENGER

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

Finance and Economic Development Division  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

Re: 555 West Monroe Street (the "Property")  
555 West Monroe Street Redevelopment Agreement  
Certification by Proposed Transferee

Dear Commissioners:

This letter is written pursuant to Section 8.01(k) of the 555 West Monroe Street Redevelopment Agreement dated \_\_\_\_\_, 2000 (the "Agreement") and constitutes the written certification of the undersigned, which has entered into a contract with [INSERT Developer], to purchase the Property. A copy of the contract is being delivered to you with this letter. Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

Pursuant to Section 8.01(k), and with the understanding that the City will be relying upon such certifications, the undersigned hereby certifies as follows:

(1) it has received and reviewed a true, correct and complete copy of the Agreement and the Redevelopment Plan (collectively, the "TIF Agreements");

(2) it acknowledges and agrees that it shall be bound by, and hereby covenants to comply with, the terms, conditions,

covenants, representations and warranties set forth in the TIF Agreements which, by their terms, are binding upon any owner and operator of the Property;

(3) it shall operate the Building solely for retail and office uses;

(4) neither the undersigned, nor any affiliate thereof, nor any person identified in the organizational chart depicting the undersigned's ownership being delivered to the City simultaneously herewith (the "Transferee Parties"), is (a) in violation of any City laws, regulations and requirements (including, without limitation, any "anti-scofflaw" laws); (b) in default under any other written agreements between any such person or entity and the City, or (c) delinquent in the payment of any amounts due to the City;

(5) the undersigned is qualified to do business in the State of Illinois and has obtained all qualifications, licenses and approvals required by the City of Chicago in order to own and operate the Property; and

(6) the undersigned is solvent, able to pay its debts as they become mature and has the financial capability and business expertise to acquire, own and operate the Property;

(7) the total cash and non-cash consideration to be paid for the Property, and the value of such consideration, is as follows: [INSERT DESCRIPTION]

(8) attached hereto is the Developer's calculation of the Little Developer Note Reduced Principal Amount, if any (if none, still attach calculation); and

(9) the undersigned is an Approved Purchaser because of its status as [INSERT DESCRIPTION]:

If the City has further questions concerning the proposed transfer, such questions should be directed to [INSERT NAME, ADDRESS, AND PHONE NUMBER OF PERSON TO BE CONTACTED].

Sincerely yours,

[PROPOSED TRANSFEREE  
SIGNATURE BLOCK]

J

EXHIBIT J  
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 against the Developer or the Project, other than liens against the Property, if any: NONE

**K**

## EXHIBIT K

## TIF-FUNDED COSTS

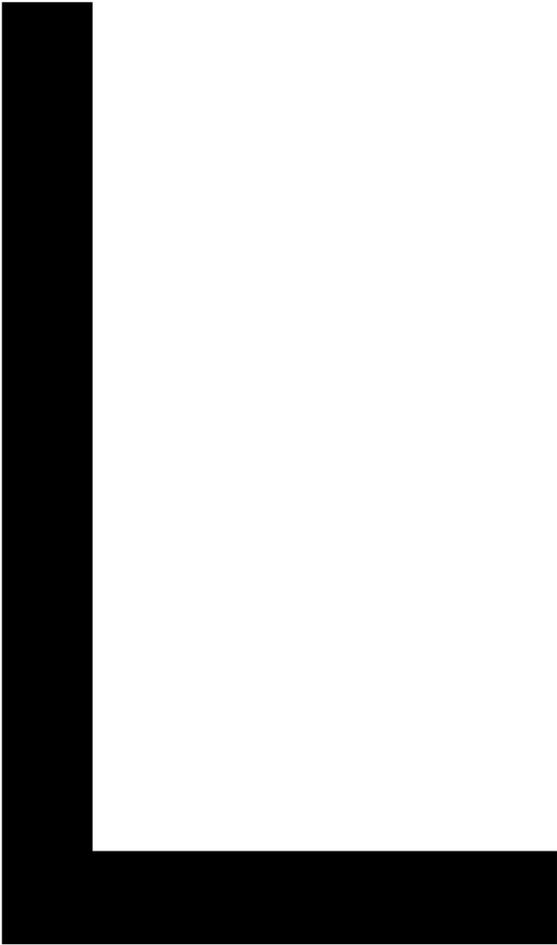
Building TIF-Funded Costs

Property Assembly (including acquisition, site preparation, demolition and environmental remediation	\$ 9,750,000
--	--------------

Quaker TIF-Funded Costs

Day Care Costs or Job Training or Retraining Costs	\$ 1,250,000
---	--------------

NOTE: Payment of City Funds for Day Care Costs is subject to the prior amendment of the Plan (and the project budget for the Area included therein) to include such costs as an eligible redevelopment project cost. If such amendment does not occur by December 31, 2001, then the City shall pay up to \$1,250,000 for Job Training or Retraining Costs.





1 Enter sum of amounts on Schedule 1 \$ \_\_\_\_\_

C. Prior City Payments To date, the City has made the following aggregate payments [[of principal and interest on such Big/Little Developer Note]] OR [[with respect to Quaker TIF-Funded Costs]]:

1. Principal paid to date \$ \_\_\_\_\_

2. Interest paid to date \$ \_\_\_\_\_  
(N/A to Quaker TIF-Funded Costs)

D. Amounts Due and Payable. Based on the City's payments to date, the amount due on such [Big] [Little] Developer Note as of the date hereof is (N/A to Quaker TIF-Funded Costs).

1 Unpaid Principal \$ \_\_\_\_\_

2. Unpaid Interest \$ \_\_\_\_\_

E. Developer Reimbursement Request. [The Developer] [Quaker] requests a payment in the amount of \$ \_\_\_\_\_.

F. Available Incremental Taxes. [THIS SECTION TO BE COMPLETED BY THE CITY]. As of December 1, \_\_\_\_\_, the amount of Available Incremental Taxes for tax year \_\_\_\_\_, as determined by the City, was \$ \_\_\_\_\_. The City hereby approves a payment to the Developer from such Available Incremental Taxes in the amount of \$ \_\_\_\_\_, representing an amount equal to [75%] 25% of such Available Incremental Taxes, to be applied as follows:

1. Amount to be applied to the payment of previously accrued and unpaid interest: \$ \_\_\_\_\_

2. Amount to be applied to the payment of current accrued interest: \$ \_\_\_\_\_

3. Amount to be applied to the payment of principal: \$ \_\_\_\_\_

G. Unpaid Amount. [THIS SECTION TO BE COMPLETED BY CITY] After application of the reimbursement payment in accordance with Section F, [[the unpaid principal and interest with respect to such Big/Little Developer Note]] OR [[the remaining unreimbursed amount of Quaker TIF-Funded Costs]] shall be as follows:

- 1. Unpaid Principal \$ \_\_\_\_\_
- 2. Unpaid Interest \$ \_\_\_\_\_
- 3. Remaining Unreimbursed Quaker TIF-Funded Costs \$ \_\_\_\_\_

**H. Supporting Documents.** Attached (applicable to all Requisition Form requests) is a certification from Quaker as to the status of its compliance with its jobs covenant under the Limited Joinder and its obligation under the Quaker Lease.

**I. Certifications.** [[The Developer]] OR [[Quaker]] hereby certifies to the City that, as of the date hereof:

1. The total amount of the payment request represents the actual amounts due under the [[Big Developer Note]] OR [[Little Developer Note]] OR [[for amounts paid for Quaker TIF-Funded Costs]], which amounts and/or costs, work, materials and/or services have not been previously reimbursed by the City. [Quaker has approved all work, materials and/or services.]

2. Except as set forth below, the representations and warranties contained in the [[Agreement]][[and Limited Joinder]] are true and correct and [[the Developer]] OR [[Quaker]] is in compliance with all covenants contained therein (if true and correct, state "NONE").

3. 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.

4. No act or omission which, with the giving of notice or passage of time or both, would constitute a [[Developer]] OR [[Quaker]] Event of Default exists or has occurred.

5. No event has occurred which, under the terms of the Redevelopment Agreement or Limited Joinder, entitle the City to [FOR DEVELOPER] [[terminate the Big Developer Note or the Little Developer Note, or to reduce the principal amount thereof, or to reduce payments (or claim a credit against payments due) thereunder, or otherwise modify the City's payment obligations with respect to either such note]] OR [FOR QUAKER] [[terminate or reduce the Big Developer Note or the City Funds payable to Quaker for Quaker TIF-Funded Costs]];

All capitalized terms which are not defined herein has the meanings given such terms in the Agreement and/or Limited Joinder.

[DEVELOPER SIGNATURE BLOCK]

OR

[QUAKER SIGNATURE BLOCK]

Subscribed and sworn before me this \_\_\_ day of \_\_\_\_\_  
200\_

\_\_\_\_\_  
NOTARY PUBLIC  
My commission expires: \_\_\_\_\_

Agreed and accepted:

\_\_\_\_\_  
Name  
Title: \_\_\_\_\_  
City of Chicago  
Department of Planning and Development

#

00866230

Schedule 1 to Exhibit L  
Accrued Interest Computation

**M**

EXHIBIT M

APPROVED PRIOR EXPENDITURES

Building Prior Expenditures

None\*

Quaker Prior Expenditures

None\*

\* "None" does not indicate that DPD has disapproved any amounts as prior expenditures; it only indicates that no prior expenditures were reviewed and approved as of the Closing Date.

**N**

## EXHIBIT N

## OPINION OF DEVELOPER'S COUNSEL

\_\_\_\_\_, 2000

City of Chicago  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to [[INSERT NAME OF Developer/Quaker]], a [[INSERT STATE OF ORGANIZATION AND FORM OF ENTITY]] Illinois corporation (the [{"Developer"}][{"Quaker"}]), in connection with that certain redevelopment project to be undertaken by [[the Developer]][{Quaker}] with respect to the building commonly known as 555 West Monroe Street, Chicago, Illinois located in the Canal/Congress Tax Increment Financing 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") [[and the Limited Joinder attached thereto executed by the City and Quaker]];

(b) [insert other documents as may be appropriate, including but not limited to the Quaker Lease, documents related to purchase and financing of the Property and all lender financing related to the Building Project]; and

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

Capitalized terms not otherwise defined in this opinion shall have the meaning set forth in the Agreement.

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of [{"the Developer's"}][{"Quaker'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 [[Building]][[Quaker]] Project; 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]][[Quaker]]), 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]][[Quaker]] is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, 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 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]][[Quaker]] 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]][[Quaker's]] Articles of Incorporation or By-Laws 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]][[Quaker]] is a party or by which [[the Developer]][[Quaker]] 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]][[Quaker]] 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.

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]][[Quaker]].

4. Each of the Documents to which [[the Developer]][[Quaker]] is a party has been duly executed and delivered by a duly authorized officer of [[the Developer]][[Quaker]], and each such Document constitutes the legal, valid and binding obligation of [[the Developer]][[Quaker]], 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. [[DEVELOPER OPINION ONLY; MODIFY FOR APPLICABLE ORGANIZATIONAL STRUCTURE]] 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]][[Quaker]], nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against [[the Developer]][[Quaker]] or affecting [[the Developer]][[Quaker]] or its property, or seeking to restrain or enjoin the performance by [[the Developer]][[Quaker]] of the Agreement [[or the Limited Joinder] or the transactions contemplated by the Agreement [[and the Limited Joinder]], or contesting the validity thereof. To the best of our knowledge after diligent inquiry, [[the Developer]][[Quaker]] 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]][[Quaker]] or its business.

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

8. [[DEVELOPER OPINION ONLY]] 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 Schedule 1 hereto.

9. The execution, delivery and performance of the Documents by [[the Developer]][[Quaker]] 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]][[Quaker]] 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 may not be relied upon by any other person.

Very truly yours,

---

00886230

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

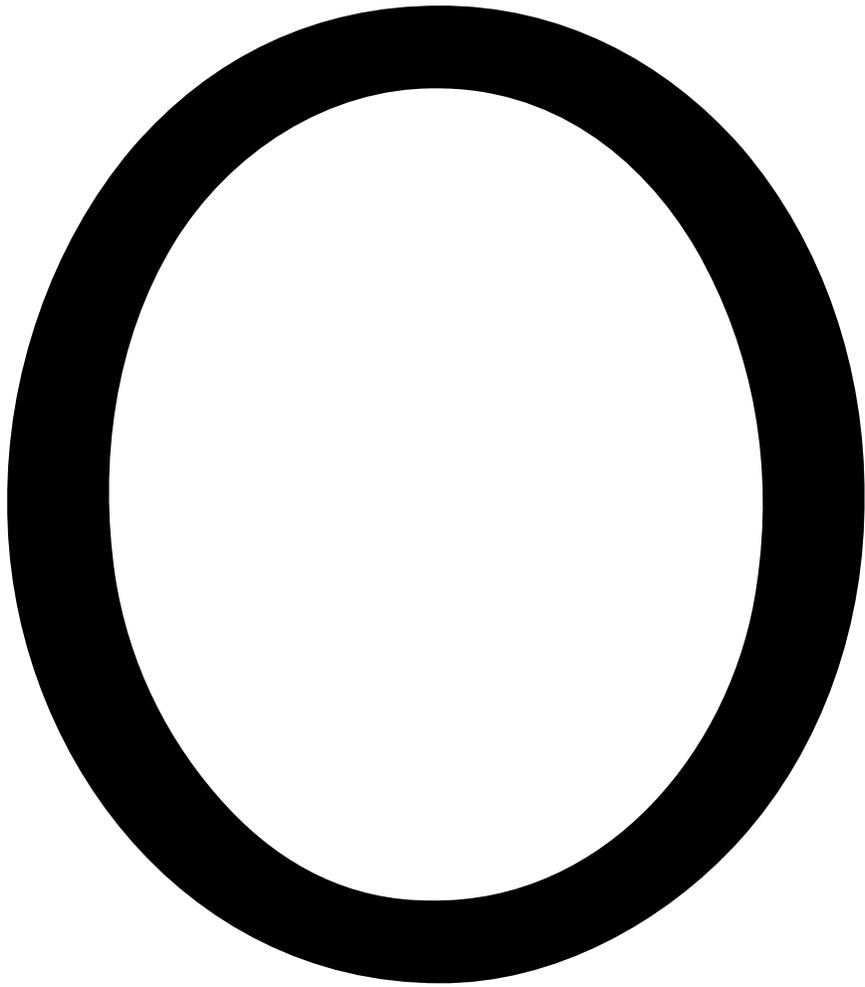


EXHIBIT O

008-230

**Location of Public Park for Developer Contribution**

The general boundaries include Marble Place on the north, Adams Street on the south, Des Plaines Street on the west and the 600 West Adams Building on the east.

**Enhanced Landscaping**

Installation and maintenance of landscaping in excess of that required under the Chicago Zoning Ordinance, and in accordance with the Planned Development, including, without limitation, planters surrounded by wrought iron fencing along the Monroe Street right-of-way, and street trees along the Monroe Street right-of-way, and south along Clinton Street and Jefferson Street up to the new alley.

P

00865230

**EXHIBIT P-1**

**Building MBE/WBE Project Budget**

**Lands & Building Development Costs**

Site & Building Costs	\$ 36,500,000
Owner Hard Costs	\$ 170,000
Owners FF&E (Health Club & Cafeteria)	\$ 450,000

Tenant Improvement Costs \* \$ 5,100,000

Soft Costs

**Building Developments**

Architects & Engineers	\$ 1,750,000
Project Contingency **	\$ 2,500,000
Construction Management Fee	\$ 1,900,000
Testing Consultants	\$ 175,000

\$ 48,545,000

**\* To the extent improvements are actually constructed by the Developer.**

**\*\* Inclusion of such amount is subject to actual expenditure in connection with costs which are included in the MBE/WBE Budget.**

## EXHIBIT P-2

## Quaker MBE/WBE Project Budget

Interior Construction	\$ 3,750,000
Fire Protection	\$ 450,000
Electrical	\$ 4,500,000
Raised Flooring (10,000 sq ft.)	\$ 150,000
Mechanical	\$ 2,700,000
General Conditions	\$ 948,000
Contractor Overhead/Profit	\$ 513,000
Carpeting	\$ 900,000
Telecom Cabling	\$ 1,050,000
Telecom	\$ 750,000
Architectural/Engineering	\$ 1,350,000
Project Management Fee	\$ 350,000
Security	\$ 300,000
Furniture	\$7,950,000*
Contingency	\$2,653,000**
<b>Total Company MBE/WBE Budget</b>	<b>\$28,314,000</b>

\* Subject to reduction if Quaker establishes that such furniture, or a portion thereof, is not obtainable from a MBE/WBE supplier

\*\* Only subject to MBE/WBE percentages to the extent actually used.

Q

00569230

EXHIBIT Q  
FORM OF NOTICE OF PROPOSED APPROVED SUCCESSOR]  
[QUAKER'S LETTERHEAD]  
[DATE]

BY MESSENGER

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

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

Re: Notice of Proposed Approved Successor  
555 West Monroe Street Redevelopment Agreement

Dear Commissioners:

This letter is written pursuant to the 555 West Monroe Street Redevelopment Agreement dated \_\_\_\_\_, 2000 (the "Agreement") and constitutes the written notice of The Quaker Oats Company ("Quaker") of an impending [[merger]] [[consolidation]] [[reorganization]] involving Quaker and [[INSERT NAME OF OTHER PARTY]]. Upon the completion of such [[merger]] [[consolidation]] [[reorganization]], [[INSERT NAME OF PROPOSED APPROVED SUCCESSOR]] shall have succeeded to all or a majority of the business or assets of Quaker (or both). A summary of the principal terms of the proposed [[merger]] [[consolidation]] [[reorganization]], as contained in information available in publicly-available filings, is attached hereto as Schedule 1. If the City has further questions concerning the proposed, such questions should be directed to [[merger]] [[consolidation]] [[reorganization]] [INSERT NAME, ADDRESS, AND PHONE NUMBER OF PERSON TO BE CONTACTED].

Sincerely yours,

[QUAKER SIGNATURE BLOCK]

00865230

Schedule 1

[Attach Summary of Principal Terms]

00865230

Schedule 2 to Exhibit I

[FORM OF CERTIFICATION BY PROPOSED APPROVED SUCCESSOR]  
[LETTERHEAD OF PROPOSED APPROVED SUCCESSOR]  
[DATE]

BY MESSENGER

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

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

Re: 555 West Monroe Street Redevelopment Agreement  
Certification by Proposed Approved Successor

Dear Commissioners:

This letter is written pursuant to the 555 West Monroe Street Redevelopment Agreement dated \_\_\_\_\_, 2000 (the "Agreement") and constitutes the written certification of the undersigned, that, with the consummation of the [[merger]] [[consolidation]] [[reorganization]] involving The Quaker Oats Company and [[INSERT NAME OF OTHER PARTY]], has succeeded to all or a majority of the business or assets of Quaker (or both). A summary of the principal terms of the proposed [[merger]] [[consolidation]] [[reorganization]], as contained in information available in publicly-available filings, is attached hereto.

Pursuant to the Redevelopment Agreement, and with the understanding that the City will be relying upon such certifications, the undersigned hereby certifies as follows:

(1) it has received and reviewed a true, correct and complete copy of the Agreement and the Redevelopment Plan, including the Limited Joinder executed by Quaker (collectively, the "TIF Agreements");

(2) it acknowledges and agrees that it shall be bound by, and hereby covenants to comply with, the terms, conditions, covenants, representations and warranties set forth in the TIF Agreements which, by their terms, are binding upon Quaker;

(3) neither the undersigned, nor any affiliate person or entity controlling, controlled by or under common control with the undersigned, nor any person identified in the organizational chart depicting the undersigned's ownership being delivered to the City simultaneously herewith<sup>2</sup> (the "Successor Parties"), is (a) in violation of any City laws, regulations and requirements (including, without limitation, any "anti-scofflaw" laws); (b) in default under any other written agreements between any such person or entity and the City, or (c) delinquent in the payment of any amounts due to the City;

(4) the undersigned is qualified to do business in the State of Illinois and has obtained all qualifications, licenses and approvals required by the City of Chicago and State of Illinois in order to do business;

(5) not less than 800 FTEs (as defined in the Redevelopment Agreement) are employed (and not less than 533 FTEs are employed at the Building) in corporate office jobs in accordance with the terms of the Agreement.

If the City has further questions, such questions should be directed to [INSERT NAME, ADDRESS, AND PHONE NUMBER OF PERSON TO BE CONTACTED].

Sincerely yours,

[PROPOSED APPROVED SUCCESSOR SIGNATURE BLOCK]

---

<sup>2</sup> If the undersigned is a publicly-traded entity, such chart need only identify legal entities that own 10% or more of such entity's ownership interests, and the certification in clause (3) shall only apply to such 10% owners.