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**LABORERS' TRAINING CENTER REDEVELOPMENT AGREEMENT**

BY AND BETWEEN

THE CITY OF CHICAGO

AND

THE CONSTRUCTION AND GENERAL LABORERS' DISTRICT COUNCIL  
OF CHICAGO AND VICINITY JOINT TRAINING AND APPRENTICESHIP FUND

This agreement was prepared by  
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## LIST OF EXHIBITS

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| Exhibit A   | *Redevelopment Area                                 |
| Exhibit B   | *Property   |
| Exhibit C   | *TIF-Eligible Improvements                          |
| Exhibit D#  | Redevelopment Plan                                  |
| Exhibit E   | Construction Contract                               |
| Exhibit F   | n/a   |
| Exhibit G   | *Permitted Liens                                    |
| Exhibit H-1 | *Project Budget                                     |
| Exhibit H-2 | *MBE/WBE Budget                                     |
| Exhibit I#  | Approved Prior Expenditures                         |
| Exhibit J   | Opinion of Developer's Counsel                      |
| Exhibit K   | n/a   |
| Exhibit L   | Requisition Form                                    |
| Exhibit M   | *Form of City Note (and Certificate of Expenditure) |
| Exhibit N   | *Public Benefits Program                            |
| Exhibit O#  | Form of Subordination Agreement                     |
| Exhibit P#  | Form of Payment Bond                                |

\* indicates which exhibits are to be recorded.

# indicates which exhibits will not be included in the ordinance packet

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

## LABORERS' TRAINING CENTER REDEVELOPMENT AGREEMENT

This Laborers' Training Center Redevelopment Agreement (this "Agreement") is made as of this 13<sup>th</sup> day of July, 2006, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and The Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Hartley Trust Fund (the "Developer"), which Developer's legal name, as reflected in the current copy of the Trust Fund agreement, is the "Chicagoland Laborers' District Council Training and Apprentice Fund," and which Developer is also known as (a/k/a) and is doing business as (d/b/a) the following: i) the "Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund," ii) the "Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Trust Fund," iii) the "Chicago and Vicinity Laborers' Training Fund," iv) the "Chicagoland Laborers' District Council Training and Apprenticeship Fund," and v) the "Construction and General Laborers' District Council of Chicago and Vicinity Training and Education Fund." Notwithstanding these various names, Developer warrants that there is only one entity Fund and there are not several different entities.

## RECITALS

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

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

**C. City Council Authority:** To induce redevelopment pursuant to the Act, the City Council of the City (the "the City Council") adopted the following ordinances on July 7, 1999:

(1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Galewood/Armitage Industrial Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Galewood/Armitage Industrial Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Galewood/Armitage Industrial Redevelopment Project Area" (the "TIF Adoption Ordinance").

Items (1)-(3) are collectively referred to herein as the "TIF Ordinances." The Galewood/Armitage Industrial Redevelopment Project Area (the "Redevelopment Area") referred to above is legally described in Exhibit A hereto.

On June 28, 2006, the City Council adopted an ordinance authorizing the execution of this Agreement.

**D. The Project:** The Developer, as of October 28, 2005, entered into an Agreement of Purchase and Sale, as amended, for the acquisition (the "**Acquisition**") of certain property located within the Redevelopment Area comprising approximately 24 acres of vacant land west of Central Avenue and south of certain railroad property, having a current street address of 1841 N. Monitor Avenue, Chicago, Illinois and legally described on Exhibit B hereto (the "**Property**"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction of a new facility and related components (the "**Facility**") thereon.

The Facility will include, at minimum, the following components:

- in the middle 1/3 of the site, a training facility building, having an approximate size of 55,000 square feet
- said building to contain training classrooms, work/training bays, a burning/welding room, a lunchroom, secure garage doors for access to construction equipment, staff and instructor offices, and a courtyard
- at least two parking lots containing a minimum of 186 parking spaces aggregate
- on the eastern 1/3 of the site, a retention pond/artificial wetland
- landscaping encircling the wetland, including numerous trees and a pedestrian pathway
- on the western 1/3 of the site, various outdoor work stations for instruction in such matters as concrete placement, pneumatic tools, mason tending, pipelaying and equipment operation
- a graded, two-way access road connecting the parking areas to the base of the existing two-way access road leading down to the site from Central Avenue
- a Green Roof (defined below) covering at least 10% of the effective roof area of the building
- the building, the parking lots, and the western portion of the site shall be capable of expansion in future years

The Facility and related improvements (including but not limited to those TIF-Eligible Improvements as defined below and set forth on **Exhibit C**) are collectively referred to herein as the “**Project.**” The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

**E. Redevelopment Plan:** The Project will be carried out in accordance with this Agreement and the City of Chicago Galewood/Armitage Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the “**Redevelopment Plan**”) attached hereto as **Exhibit D.**

**F. City Financing:** The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) the proceeds of the City Note (as defined below) and/or (ii) Available Incremental Taxes, to pay for or reimburse the Developer for the costs of TIF-Eligible Improvements pursuant to the terms and conditions of this Agreement and the City Note. The parties acknowledge that there exists within the Redevelopment Area a Small Business Improvement Fund program, operated by the City through DPD, with a prior or concurrent claim on Incremental Taxes (as defined herein) of up to \$300,000.

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

## SECTION 1. RECITALS

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

## SECTION 2. DEFINITIONS

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

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

“**Actual residents of the City**” shall have the meaning set forth in Section 10.02 hereof.

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

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

“**Available Incremental Taxes**” shall mean an amount equal to 66.67% of the Incremental Taxes deposited in the Galewood/Armitage Industrial Special Tax Allocation Fund attributable to the taxes levied upon the entire Redevelopment Area from the first instance in which the Facility affected said taxes.

“**Certificate**” shall mean the Certificate of Completion of Construction described in Section 7.01 hereof.

“**Change Order**” shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Sections 3.02 and 3.03.

“**City Council**” shall have the meaning set forth in the Recitals hereof.

“**City Funds**” shall mean the funds described in Section 4.03(b) hereof.

“**City Note**” shall mean the City of Chicago Tax Increment Allocation Revenue Note (Galewood/Armitage Redevelopment Project) Taxable Series 2006, in the amount of \$5,226,225. The City Note shall be in the form attached hereto as Exhibit M. The City Note shall bear interest at such annual rates and on such other terms as are set forth in Section 4.03(c) hereof.

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

**“Commissioner”** shall mean the Commissioner of the City’s Department of Planning and Development.

**“Construction Contract”** shall mean that certain contract, substantially in the form attached hereto as **Exhibit E**, that has been entered into between the Developer and the General Contractor providing for construction of the Project.

**“Corporation Counsel”** shall mean the City’s Office of Corporation Counsel.

**“Employer(s)”** shall have the meaning set forth in **Section 10** hereof.

**“Environmental Laws”** shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called **“Superfund”** or **“Superlien”** law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

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

**“Event of Default”** shall have the meaning set forth in **Section 15** hereof.

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

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

**“Galewood/Armitage Industrial Special Tax Allocation 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.

“**General Contractor**” shall mean \_\_\_\_\_ or such other contractor as may be approved by the City.

“**Green Roof**” shall mean a four-inch deep Greengridd modular system consisting of a root anti-penetration layer, a drainage layer, a water filter mat, a growing medium and drought-tolerant plants, or a similar modular system, to be placed on top of and covering at least 10% of the main roof of the building on the Facility site, and that is designed to be low-maintenance and to provide living plants thereon for at least five years after initial installation thereof.

“**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.

“**Human Rights Ordinance**” shall have the meaning set forth in **Section 10** hereof.

“**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 Galewood/Armitage Industrial Special Tax Allocation Fund for the Redevelopment Area established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

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

“**MBE(s)**” shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

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

“**Municipal Code**” shall mean the Municipal Code of the City of Chicago.

“**New Mortgage**” shall have the meaning set forth in **Section 16** hereof.

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

**“Occupancy Period”** shall mean the period of time commencing on the Closing Date and continuing for 10 years thereafter.

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

**“Permitted Mortgage”** shall have the meaning set forth in **Section 16** hereof.

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

**“Prior Expenditure(s)”** shall have the meaning set forth in **Section 4.05** hereof.

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

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

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

**“Redevelopment Area”** shall have the meaning set forth in the Recitals hereof.

**“Redevelopment Plan”** shall have the meaning set forth in the Recitals hereof.

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

**“Requisition Form”** shall mean the document, in the form attached hereto as **Exhibit L**, to be delivered by the Developer to DPD pursuant to **Section 4.04** of this Agreement.

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

**“Survey”** shall mean a Class 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 and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in

connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

**“Term of the Agreement”** shall mean the period of time commencing on the Closing Date and ending on December 31, 2022.

**“TIF Adoption Ordinance”** shall have the meaning set forth in the Recitals hereof.

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

**“TIF Ordinances”** shall have the meaning set forth in the Recitals hereof.

**“Title Company”** shall mean Chicago Title Insurance Company.

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

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

**“WBE(s)”** shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

### SECTION 3. THE PROJECT

**3.01 The Project.** On or before the date hereof, or within 60 days thereafter, the Developer shall have completed its Acquisition of the Property. The Developer shall commence construction of the Project not later than March 15, 2007 and shall complete the Project and conduct business operations therein no later than March 31, 2008, subject to the provisions of **Section 18.17** of this Agreement. The Project shall be carried out substantially in accordance with the Plans and Specifications for the Project.

**3.02 Scope Drawings and Plans and Specifications.** Prior to the commencement of any construction work upon the Property, the Developer shall have delivered the Scope Drawings

and Plans and Specifications to DPD and DPD shall have approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to **Section 3.04** hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

**3.03 Project Budget.** The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than \$21,124,250. The Developer hereby certifies to the City that (a) it has Lender Financing and/or Equity in an amount sufficient to pay for the acquisition of the Property, and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to **Section 3.04** hereof.

**3.04 Change Orders.** Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in **Section 3.07** hereof; provided, that any Change Order (or combination of Change Orders) relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a cumulative reduction of 5% or more in the gross or net square footage of the Facility; (b) a cumulative increase of 10% or more in the Project Budget; (c) a change in the use of the Property; or (d) a delay in the completion of the Project (including the Green Roof) by more than three months past March 31, 2008. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section).

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

**3.06 Other Approvals.** Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of **Section 5.03** (Other Governmental Approvals) hereof. The Developer covenants that it shall obtain all necessary permits and approvals for the commencement of construction of the Project (including but not limited to DPD's approval of the Scope Drawings and Plans and

Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder, if any, prior to commencement of the Project.

**3.07 Progress Reports and Survey Updates.** The Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to **Section 3.04**). The written quarterly progress reports shall include duplicates of applicable support documentation verifying the disbursement and receipt of overall Project funds (i.e. invoices, canceled checks, partial and final waivers-of-lien, etc.). Developer shall also provide monthly reports to DPD on MBE/WBE utilization, prevailing wage and City residency based on expenditures to-date, which report shall include, if applicable, a plan by the Developer to address any shortfalls. The City retains the right to review construction-related draw requests which must be accompanied by, among other things, invoices, canceled checks, lien waivers owner's sworn statement, general contractor's sworn statement and MBE/WBE subcontractor contract amounts and certification letters as a prerequisite to disbursement. The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

**3.08 Inspecting Agent or Architect.** An independent agent or architect (other than the Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project.

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

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

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

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

**SECTION 4. FINANCING**

**4.01 Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$21,124,250 to be applied in the manner set forth in the Project Budget. Such costs shall be funded solely from Equity and/or Lender Financing.

**4.02 Developer Funds.** Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs and costs of TIF-Eligible Improvements.

**4.03 City Funds.**

(a) Uses of City Funds. City Funds (as defined below) may only be used to pay directly or reimburse the Developer for costs of TIF-Eligible Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Eligible Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate.

(b) Issuance of City Note; Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue the City Note to the Developer on the Closing Date to provide for reimbursement to Developer for the costs of the TIF-Eligible Improvements.

Subject to the terms and conditions of this Agreement, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay principal of and interest on the City Note:

| <u>Sources of City Funds</u> | <u>Maximum Amount</u>   |
|------------------------------|---|
| Available Incremental Taxes  | the lesser of:<br>(i) \$5,226,225,<br>(ii) 25% of the actual total Project costs, or<br>(iii) 100% of the costs of the TIF-Eligible Improvements; |

plus interest that accrues on the City Note

(c) Amount of Principal of the City Note; Maximum Interest Thereon. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City shall, on the Closing Date and thereafter as Certificates of Expenditure are issued, set the initial principal balance and increase the principal balance of the City Note as indicated on the following schedule, subject to the maximum amount of the City Note set forth above:

Initial Balance

the dollar value of all Prior Expenditures (as defined in Section 4.05 herein) that are TIF-Eligible Improvements

Increases in Balance

the aggregate dollar value of all Certificates of Expenditure issued by the City in connection with this City Note

Interest on the outstanding and unpaid principal of the City Note shall commence accrual and compounding (at the rate set forth in the City Note) on the date the City delivers the Certificate to the Developer pursuant to Section 7 hereof. The interest rate for the City Note shall be set at its issuance date (although interest shall not accrue until the Certificate is issued) and shall not exceed the following per annum based on a 360 day year:

the lesser of (i) 8.75%, or (ii) the median interest rate for the 10-year Treasury Constant Maturities Notes as published in the Federal Reserve Statistical Release H-15 for the 15 business days prior to the Closing Date, plus 250 basis points

Any interest that has accrued under the City Note and remains unpaid following a scheduled payment date shall accrue interest per annum at the scheduled interest rate, but such interest on interest shall not be deemed to increase the principal of the City Note.

(d) Payment Obligations on City Note; Priority of Payments. The payment obligation of the City on the City Note shall commence on the date the City delivers the Certificate to the Developer pursuant to Section 7 hereof. Payments on the City Note, if any, shall be made once annually by the City on or about the next February 1st to occur following the City's receipt, not later than October 1<sup>st</sup> of the prior year, of a properly completed Requisition Form. Developer shall not tender any Requisition Form to the City prior to the issuance of the Certificate.

On each payment date, the City agrees to pay, on the City Note, in the manner and from the City Funds set forth below, the following amounts:

|                   |                                  |  |
|-------------------|----------------------------------|--|
| <u>City Note:</u> | <u>Source of City Funds:</u>     | <u>Amount of Payment:</u>  |
| City Note         | from Available Incremental Taxes | the lesser of: i) \$595,000 or ii) all Available Incremental Taxes |

Payments on the City Note shall continue (including, if necessary, beyond the term of the corresponding debt service schedule) until the City Note is fully paid or discharged, subject to the terms, conditions and limitations with respect thereto contained in the City Note and in this Agreement. Payments on the City Note shall first be applied to unpaid interest, if any, then to current interest, if any, and then to principal.

(e) Prepayment. The City may pre-pay, in whole or in part, the City Note at any time, but in the sequence and priority in which it becomes payable, using any Available Incremental Taxes or other monies available to the City.

(f) Unavailability of City Funds. The City is not obligated to pay principal of or interest on the City Note in any year in which there are no City Funds. If, at the end of the Term of the Agreement, any outstanding unpaid principal amount of and/or interest on the City Note exists (the "Outstanding Amount"), the Outstanding Amount shall be forgiven in full by the Developer, and the City shall have no obligation to pay the Outstanding Amount after the end of the Term of the Agreement.

**4.04 Requisition Form.** After the issuance of the Certificate and thereafter throughout the earlier of (i) the Term of the Agreement or (ii) the date that the City Note has been paid in full under this Agreement, the Developer shall provide DPD with a Requisition Form in the form set forth in Exhibit L hereto, along with the documentation described therein, in order to request payments under the City Note. Such Requisition Form(s) shall contain as part thereof certifications as to continuing operations and compliance generally with this Agreement. Requisition Forms shall not be submitted more than once per calendar year (or as otherwise permitted by DPD) and not later than October 1 of any given year. At the request of DPD, the Developer shall meet with DPD to discuss any Requisition Form(s) delivered to DPD.

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

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

**4.07 Certificates of Expenditure.** One or more Certificates of Expenditure shall be issued by the City (provided the Developer has demonstrated the dollar value test set forth below) until the Maximum Amount of the City Note has been reached; provided, however, that no Certificate of Expenditure shall be issued unless the Developer first has demonstrated the proofs of amount and availability of Project financing set forth in Section 8.02 hereof. The dollar value of each Certificate of Expenditure shall be set by the City and will equal the amount of Equity and Lender Financing demonstrated, to the reasonable satisfaction of the City, to have been expended by the Developer on the TIF-Eligible Improvements of the Project over and above the amounts of Equity and Lender Financing that have been accounted for in all prior Certificates of Expenditure, pursuant to the preconditions set forth in the paragraphs below.

Prior to each execution of a Certificate of Expenditure by the City, the Developer shall demonstrate its progress on the Project by timely submitting to the City a request for execution of a Certificate of Expenditure, which request shall include: (i) documentation (including an owner's sworn statement) regarding Developer's then-current Project expenditures on TIF-Eligible Improvements and executed lien waivers for same, which documentation shall be made satisfactory to DPD in its sole discretion, (ii) progress reports containing the information set forth in Section 8.07 herein, and, if required by said Section, (iii) a plan for correcting any compliance shortfall. Delivery by the Developer to DPD of any request for execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for execution of a Certificate of Expenditure, that:

- (a) the total amount of the request for Certificate of Expenditure represents the actual amount in TIF-Eligible Improvements paid to acquire the Property or paid to the General Contractor and/or subcontractors that have performed work on the Project, and/or their payees;
- (b) all amounts shown as previous payments on the request for Certificate of Expenditure have been paid to the parties entitled to such payment;
- (c) the Developer has approved all work and materials referenced in the request for Certificate of Expenditure and such work and materials conform to the Plans and Specifications;
- (d) the representations and warranties contained in this Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained herein;

(e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Project which have not been cured or insured over except for the Permitted Liens; and

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred.

The City may require the Developer to submit further documentation to verify that the matters certified to above are true and correct, and any execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of execution of a Certificate of Expenditure including, but not limited to, the TIF Ordinances or this Agreement.

**4.08 Conditional Grant.** The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement.

**4.09 Cost of Issuance.** The Developer shall be responsible for paying all costs relating to the issuance of the City Note, including costs relating to the opinion described in Section 5.09 hereof.

## SECTION 5. CONDITIONS PRECEDENT TO CLOSING

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

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

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

**5.03 Other Governmental Approvals.** The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD, with the exception of the following, which shall be secured prior to commencement of the Project: all are yet to be secured.

**5.04 Financing.** The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and/or Lender Financing in the amount necessary to complete the acquisition of the Property. If a portion of such funds consists of Lender Financing, the

Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in **Section 4.01**) to complete the acquisition of the Property. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

**5.05 Acquisition and Title.** On the Closing Date, the Developer has furnished the City with a copy of the most recent available title commitment for the Property. The Developer has provided to DPD, on or prior to the Closing Date, documentation related to its agreement to purchase the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto. Upon Developer's acquisition of the Property, the Developer will promptly thereafter furnish the City a copy of the Title Policy, certified by the Title Company, containing only those title exceptions listed as Permitted Liens on **Exhibit G** hereto and evidencing the recording of this Agreement pursuant to the provisions of **Section 8.18** hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey.

**5.06 Evidence of Clean Title.** The Developer, at its own expense, has provided the City with searches under the Developer's name, as follows:

|  |                               |
|--|-------------------------------|
| Secretary of State                     | UCC search                    |
| Secretary of State                     | 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                    | Pending suits and judgments   |
| Clerk of Circuit Court,<br>Cook County | Pending suits and judgments   |

showing no liens against the Developer, the Property (as of the date of its acquisition by Developer) or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

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

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

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

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

**5.11 Financial Statements.** The Developer has provided Financial Statements to DPD for its most recent fiscal year and the two prior fiscal years thereto, and audited or unaudited interim financial statements for the current fiscal year.

**5.12 Documentation.** To the extent the General Contractor has been selected or engaged by the Closing Date, the Developer 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 documentation shall include, without limitation, an MBE/WBE utilization plan, including Schedules C and D, and evidence of the General Contractor's having met with, and having provided bid documents to, applicable MBE/WBE contractors and subcontractors.

**5.13 Environmental.** The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

**5.14 Corporate Documents; Economic Disclosure Statement.** The Developer has provided a copy of its Agreement and Declaration of Trust dated as of June 1, 1986, as amended; certificates of good standing from the Secretary of State of Illinois regarding the Developer's qualification to do business, if any; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the entity; and such other entity documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

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

**5.16 Leases.** The Developer has provided DPD a copy of any leases (executed or proposed) for the Facility.

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

**6.01 Bid Requirement for General Contractor and Subcontractors.** The Developer has entered into an agreement with \_\_\_\_\_ as its General Contractor for construction of the Project. The Developer hereby covenants that it shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Eligible Improvements, the Developer shall cause the General Contractor to select the subcontractors submitting the lowest responsible bids that can complete the Project in a timely manner. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Eligible Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Eligible Improvements, if the General Contractor selects any subcontractor that has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to **Section 4.03(b)** hereof. The Developer shall submit copies of the Construction Contract to DPD in accordance with **Section 6.02** below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Eligible Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

**6.02 Construction Contract.** Prior to the execution thereof, the Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with **Section 6.01** above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

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

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

**6.05 Other Provisions.** In addition to the requirements of this **Section 6**, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to **Section 3.04** (Change Orders), **Section 8.09** (Prevailing Wage), **Section 10.01(e)** (Employment Opportunity), **Section 10.02** (City Resident Employment Requirement), **Section 10.03** (MBE/WBE Requirements, as applicable), **Section 12** (Insurance) and **Section 14.01** (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Eligible Improvements shall be provided to DPD within five (5) business days of the execution thereof.

## **SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION**

**7.01 Certificate of Completion of Construction.** Upon proof provided to DPD's satisfaction of:

- (i) completion of the construction of the Project (including the Green Roof) in accordance with the terms of this Agreement;
- (ii) certificate of occupancy for the Facility;
- (iii) the establishment of operations by Developer in the Facility in accordance with the terms of this Agreement;
- (iv) Developer having met or exceeded the MBE, WBE, prevailing wage and City residency requirements of this Agreement;
- (v) the actual total costs of the Project;
- (vi) the actual total TIF-Eligible Improvements expenditures incurred by Developer;
- (vii) cancelled checks and lien waivers for all amounts referenced in subsections (v) and (vi) above; and
- (viii) upon the Developer's written request,

then DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the

measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

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

Those covenants specifically described at **Section 8.02** (Project completion) and **Section 8.06** (operation of Project) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Occupancy Period notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in **Section 8.02** shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to **Section 18.15** of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

**7.03 Failure to Complete.** If the Developer fails to complete the Project by the date set forth for completion in **Section 3.01** hereof (e.g., March 31, 2008) in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

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

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

(c) the right to seek reimbursement of the City Funds from the Developer.

**7.04 Notice of Expiration of Term of Agreement.** Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

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

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

(a) the Developer is a not-for-profit Taft-Hartley Trust Fund duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

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

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

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

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

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

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

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) enter into any transaction outside the ordinary course of the Developer's business; (2) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; (3) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; and, in addition, during the entire Term of this Agreement, Developer shall not do any of the following without the prior written consent of DPD: (4) be a party to any merger, liquidation or consolidation; or (5) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto), except to a wholly-owned subsidiary of the Developer;

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

(l) 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; and

(m) neither the Developer nor any affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another

person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

**8.02 Covenant to Redevelop; Covenant to Provide Evidence of Financial Ability Thereof.** Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in **Sections 3.02** and **3.03** hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes (including the current zoning for the Property) applicable to the Project, the Property and/or the Developer. Not later than the Project commencement date set forth in **Section 3.01** hereof (March 15, 2007), the Developer shall furnish proof reasonably acceptable to the City that the Developer has Equity and/or Lender Financing in the amounts set forth in **Section 4.01** hereof to complete the Project and satisfy its obligations under this Agreement, and if a portion of such funds consists of Lender Financing, the Developer shall furnish proof that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in **Section 4.01**) to complete the Project. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

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

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

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

**8.06 Covenant to Operate the Project; Job Creation; Training Opportunities.**

From the first day of its occupancy of the Facility, and continuing for the Occupancy Period, the Developer hereby covenants and agrees to continuously occupy and operate the Facility as an integral part of The Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Hartley Trust Fund.

The Developer hereby covenants and agrees that the Project will produce 50 temporary construction jobs.

The Developer hereby covenants and agrees that, once training and apprenticeship operations commence at the Facility, it shall maintain 9 permanent jobs (1 Director-Supervisor, 6 Instructors, 1 office worker, 1 maintenance worker) at the Facility for the Occupancy Period. The Developer hereby covenants and agrees that it will maintain a payroll of approximately \$300,000 during construction and of approximately \$650,000.00 each year of the Occupancy Period once training and apprenticeship operations commence at the Facility.

The Developer hereby covenants and agrees: i) that, within 12 months after classes commence, the Facility will train an annualized 1,500 people a year; ii) that, not later than 24 months after classes commence, the Facility will be training an annualized average of 3,000 people per year; and iii) that the Facility will be training an annualized average of 3,000 people per year thereafter for the remainder of the Occupancy Period or until full repayment of the Note has been made, whichever is later.

The Developer and the City acknowledge that the Developer's laborers apprentice program, which has stringent admission criteria, including passing an entrance exam, must abide by the rules set forth in 29 CFR Part 30 - Equal Employment Opportunity In Apprenticeship and Training - as well as the rules in its Apprenticeship Standards and, therefore, by law cannot " earmark " or limit apprentice slots in the training program to specific people such as Chicago residents.

Each January during the Occupancy Period, the Developer shall provide DPD an affidavit certifying to its continuing observance of the above covenant. (The affidavit may be combined with the public benefits compliance report required at Section 8.20 hereof.)

The covenant set forth in this Section 8.06 shall run with the land and be binding upon any transferee.

**8.07 Employment Opportunity; Progress Reports.** The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City monthly until the Project is fully completed. If any such reports indicate a

shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

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

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

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

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

**8.13 Financial Statements.** The Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended 2005 and each fiscal year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

**8.15 Non-Governmental Charges.** (a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

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

(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 8.15**); or

(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

**8.16 Developer's Liabilities.** The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DPD of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

**8.17 Compliance with Laws.** To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes

pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

**8.18 Recording and Filing.** The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing or, if one or more such mortgages exist, then the Subordination Agreement set forth in Exhibit O hereto shall be executed and recorded. The Developer shall pay all fees and charges incurred in connection with any such recordings. Upon making the recordings, the Developer shall immediately transmit to the City executed originals of this Agreement and the Subordination Agreement showing the dates and recording numbers of record.

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

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

(A) the Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or

forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(B) the Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

**8.20 Public Benefits Program.** From the first day of its occupancy of the completed Facility, and continuing for the Occupancy Period, the Developer shall provide, free of charge to the City or the general public, the public benefits programs as set forth on Exhibit N.

### **8.21 Use, Lease and Sale of Property**

(a) Use, Lease and Sale. The Developer covenants not to use, lease out or sell any part of the Property (including the Facility) for purposes other than i) the operation of laborer training and apprenticeship programs; ii) related activities and community events, including but not limited to activities sponsored by other labor unions, by Builders' and Contractors' associations which are members of the Developer, and by civic and community and local government entities or elected officials; and iii) the maintenance of the retention pond/artificial wetland.

(b) Cessation of Use of Facilities. The Developer shall not cease its operations at any part of the Facility until all of the City Note has been paid in full. If, notwithstanding the covenant in the preceding sentence, all of the Developer's operations at the Facility cease within five (5) years after the issuance of the Certificate, the Developer shall immediately notify the City in writing of said occurrence, the City Note shall be void, the City shall cease making payments under the City Note, and the Developer covenants, upon demand from the City, to immediately repay to the City in a lump sum all City Funds the Developer has received under the City Note and this Agreement.

**8.22 Survival of Covenants.** All warranties, representations, covenants and agreements of the Developer contained in this **Section 8** and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in **Section 7** hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement (and, as for the covenant to operate the Project, will continue to remain in full force and effect throughout the Occupancy Period).

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

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

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

**9.03 Training Assistance.** The Mayor's Office for Workforce Development (MOWD) has been informed of the project and will work with the Developer on job training and placement.

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

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "**Human Rights Ordinance**"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military

discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

**10.02 City Resident Construction Worker Employment Requirement.** The Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual

residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

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

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

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

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

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

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

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

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable

employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment 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.

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 *et seq.*, Municipal Code of Chicago (the “**Procurement Program**”), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 *et seq.*, Municipal Code of Chicago (the “**Construction Program**,” and collectively with the Procurement Program, the “**MBE/WBE Program**”), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this **Section 10.03**, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in **Exhibit H-2** hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

(b) For purposes of this **Section 10.03** only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a “**contractor**” and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a “**contract**” or a “**construction contract**” as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the

Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, *inter alia*, the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five Business Days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(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 Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required

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

## **SECTION 11. ENVIRONMENTAL MATTERS**

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto 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: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which the Developer, or any person directly or indirectly controlling, controlled by or under common control with the Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

## SECTION 12. INSURANCE

The Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

A. Prior to execution and delivery of this Agreement:

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

2) Commercial General Liability (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 must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

3) All Risk Property. All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

B. Construction. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

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

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

3) Automobile Liability (Primary and Umbrella). When any motor vehicles (owned,

non-owned and hired) are used in connection with work to be performed, the 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.

4) Railroad Protective Liability. When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must 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.

5) All Risk /Builders Risk. When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must 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 project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

6) 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 must be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

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

8) Contractors Pollution Liability. When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. 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. The City of Chicago is to be named as an additional insured.

C. Post Construction:

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

Other Requirements: The Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, 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 must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. 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 Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve 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 stop work and/or terminate agreement until proper evidence of insurance is provided.

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

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

The Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit the Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

## SECTION 13. INDEMNIFICATION

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

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

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

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

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

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute

the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this **Section 13.01** shall survive the termination of this Agreement.

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

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

**14.02 Inspection Rights.** Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

#### **SECTION 15. DEFAULT AND REMEDIES**

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

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

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

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

(d) except as otherwise permitted hereunder, the creation (whether voluntary or

involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

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

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

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

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

(i) the dissolution of the Developer; or

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer that is not dismissed within thirty (30) days, or the indictment of the Developer for any crime (other than a misdemeanor).

**15.02 Remedies.** Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, may suspend disbursement of City Funds and, if a cessation of use default occurs as set forth in Section 8.21(b) hereof, may demand immediate repayment of all City Funds the Developer has received under the City Note and this Agreement; provided, however, that in the event of a failure to maintain the annualized average number of trainees set forth in Section 8.06 hereof, the Developer shall first be given an opportunity to demonstrate the existence of any economic hardships that may explain the failure. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief, the recovery of City Funds already disbursed to Developer, or the specific performance of the agreements contained

herein.

**15.03 Curative Period.** In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

## SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on **Exhibit G** hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "**Permitted Mortgage**." It is hereby agreed by and between the City and the Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with **Section 18.15** hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in

conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with **Section 18.15** hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to **Section 7** hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

#### **SECTION 17. NOTICE**

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

|                 |  |
|-----------------|--|
| If to the City: | City of Chicago<br>Department of Planning and Development<br>121 North LaSalle Street, Room 1000<br>Chicago, IL 60602<br>Attention: Commissioner |
| With Copies To: | City of Chicago<br>Department of Law<br>Finance and Economic Development Division<br>121 North LaSalle Street, Room 600<br>Chicago, IL 60602     |

If to the Developer:                   The Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Hartley Trust Fund  
1200 Old Gary Avenue  
Carol Stream, Illinois 60188  
Attention: Peter Ruff, Administrator

With Copies To:                   Charles R. Bernardini  
Ungaretti & Harris  
3500 Three First National Plaza  
Chicago, Illinois 60602

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

## SECTION 18. MISCELLANEOUS

**18.01 Amendment.** This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement **Exhibit D** hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this **Section 18.01** shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in **Sections 10.02 and 10.03** hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than ninety (90) days.

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

**18.03 Limitation of Liability.** No member, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer from the City or

any successor in interest or on any obligation under the terms of this Agreement.

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

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

**18.06 Remedies Cumulative.** The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

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

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

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

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

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

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

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

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

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

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

**18.17 Force Majeure.** Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

**18.19 Business Economic Support Act.** Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act,

the Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

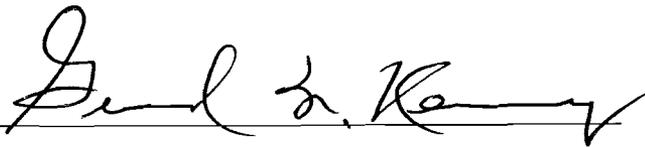
**18.21 Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes,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

**18.22 Business Relationships.** The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "**Business Relationship**" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

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

**THE CONSTRUCTION AND GENERAL  
LABORERS' DISTRICT COUNCIL OF CHICAGO  
AND VICINITY JOINT TRAINING AND  
APPRENTICESHIP FUND**, a jointly-administered not-  
for-profit Taft-Hartley Trust Fund

By: 

Its: CHAIRMAN

**CITY OF CHICAGO**, by and through its Department of  
Planning and Development

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



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.

**THE CONSTRUCTION AND GENERAL LABORERS' DISTRICT COUNCIL OF CHICAGO AND VICINITY JOINT TRAINING AND APPRENTICESHIP FUND**, a jointly-administered not-for-profit Taft-Hartley Trust Fund

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

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

**CITY OF CHICAGO**, by and through its Department of Planning and Development

By: *Jori J. Healey*  
Commissioner *JK*



**EXHIBIT A**

Galewood/Armitage Industrial Redevelopment Area

[see attached]

Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motion or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

Adopted: May 11, 1999.

[(Sub)Exhibit "A" referred to in this Resolution 99-CDC-76  
unavailable at time of printing.]

*Exhibit "C".*  
(To Ordinance)

*Legal Description.*

That part of Sections 31, 32 and 33, Township 40 North, Range 13, East of the Third Principal Meridian, described as follows:

beginning at the intersection of the westerly right-of-way line of North Oak Park Avenue and the northeasterly right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence southeasterly on said northeasterly right-of-way line to the east line of the west half of the northeast quarter of said Section 31; thence north, along said east line of the west half of Section 31, to the westerly right-of-way line of a north/south railroad right-of-way of said Chicago, Milwaukee, St. Paul and Pacific Railroad; thence northerly on said westerly right-of-way to the southwesterly right-of-way line of Grand Avenue; thence southeasterly on said southwesterly right-of-way line to the easterly right-of-way line of Natchez Avenue; thence southerly on said easterly right-of-way line to the northerly line of Lot 7 in Block 5 of Grand Heights Subdivision, being a subdivision in

the east half of the east half of the northeast quarter of said Section 31, Township 40 North, Range 13 East of the Third Principal Meridian; thence easterly on said northerly line to the westerly line of a north/south alley adjoining the easterly line of said Lot 7; thence southerly on said westerly alley line to the northerly line of Lot 4, Block 5 extended westerly; thence easterly on the westerly extension and the northerly line to the westerly right-of-way line of Nagle Avenue; thence southerly on said westerly right-of-way line to the southerly line of the northerly 46.00 feet of Lot 18, Block 4 in said Grand Heights Subdivision; thence easterly on said southerly line to the westerly right-of-way line of a north/south alley adjoining the easterly line of said Lot 18; thence northerly on said westerly alley line to the westerly extension of the northerly line of Lot 15, Block 4 in said Grand Heights Subdivision; thence easterly on said northerly line of Lot 15 to the westerly right-of-way line of Narragansett Avenue; thence northerly on said westerly right-of-way line to the northerly right-of-way line of Dickens Avenue extended westerly; thence easterly on said northerly right-of-way line extended westerly, the northerly right-of-way line and the northerly line extended easterly to the easterly right-of-way line of Melvina Avenue; thence southerly on said easterly right-of-way line to the northerly right-of-way line of Dickens Avenue; thence easterly on said northerly right-of-way line to the westerly right-of-way line of North Moody Avenue; thence northerly on said westerly right-of-way line to the westerly extension of the northerly line of Lot 24, Block 9 in Grand Avenue Estates Subdivision, being a subdivision of part of the west half of the east half of the northwest quarter of Section 32, Township 40, Range 13; thence easterly on said northerly line to the easterly right-of-way line of a north/south alley in said Block 9; thence southerly on said easterly right-of-way line to said northerly right-of-way line of West Dickens Avenue; thence easterly on said northerly right-of-way line to the westerly right-of-way line of North Meade Avenue; thence northerly on said westerly right-of-way line to the westerly extension of the northerly line of Lot 39 in Block 4 in Grand Avenue Estates, being a subdivision (except the south 466 feet) of the east half of the northwest quarter of Section 32, Township 40, Range 13; thence easterly on said northerly line extension and the northerly line of said Lot 39 to the westerly right-of-way line of a north/south alley in said Block 4; thence northerly on said westerly alley line to the westerly extension of the northerly line of Lot 50 in said Block 4; thence easterly on said northerly line extended and the northerly line to the easterly right-of-way line of McVicker Avenue; thence southerly on said easterly right-of-way line to the northerly line of Lot 34 in Block 3 in said Grand Avenue Estates; thence easterly on said northerly line to the westerly right-of-way line of a north/south alley in said Block 3; thence northerly on said westerly alley line to the westerly extension of the northerly line of Lot 45 in said Block 3; thence easterly on the westerly extension and the northerly line to the easterly right-of-way of Austin Avenue; thence southerly on said easterly line

to said northerly right-of-way line of Dickens Avenue; thence easterly on said northerly right-of-way line to the westerly right-of-way line of a north/south alley in Block 3 of Central Avenue Subdivision, being a subdivision in the east half of the northeast quarter of said Section 32, Township 40 North, Range 13 East, lying south of Grand Avenue; thence northerly on said westerly alley line to the northeasterly right-of-way line of a northwest/southeast alley; thence southeasterly on said northeasterly right-of-way line to the easterly right-of-way line of Major Avenue; thence southerly on said easterly right-of-way line to the northerly line of Lot 22, Block 2 in said Central Avenue Subdivision; thence easterly on said northerly line to the easterly right-of-way line of a north/south alley adjoining the easterly line of said Lot 22; thence southerly on said easterly right-of-way line to the northerly right-of-way line of Armitage Avenue; thence easterly on said northerly line of Armitage Avenue to the westerly right-of-way line of Parkside Avenue; thence northerly on said westerly right-of-way line to the northerly line of Lot 22, Block 1, extended westerly, in said Central Avenue Subdivision; thence easterly on said northerly line extended westerly, the northerly line and the northerly line extended easterly to the easterly right-of-way line of a north/south alley in said Block 1; thence southerly on said easterly alley line to said northerly right-of-way line of Armitage Avenue; thence easterly on said northerly right-of-way line to the westerly right-of-way line of Central Avenue; thence northerly on said westerly right-of-way line to the southerly right-of-way line of Fullerton Avenue; thence easterly on said southerly right-of-way line to the easterly right-of-way line of Long Avenue; thence southerly on said easterly line to the northeasterly right-of-way line of Grand Avenue; thence southeasterly along said northeasterly right-of-way line to its intersection with a line that is perpendicular to the north line of the west half of the southeast quarter of said Section 33, said perpendicular line originating from an angle point in the southerly right-of-way line of Grand Avenue, said angle point being 125 feet northwest of the west line of Leclaire Avenue as measured along said southerly line of Grand Avenue (said west line of Leclaire Avenue being in the southeast quarter of said Section 33); thence south along said perpendicular line to said angle point in the southerly right-of-way line of Grand Avenue; thence southeasterly, along the southwesterly right-of-way line of Grand Avenue to the northerly right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence easterly along said northerly right-of-way line to the west right-of-way line of Cicero Avenue; thence south, along said west line to the southerly line of said Chicago, Milwaukee, St. Paul and Pacific Railroad; thence westerly, along said southerly line to the southwesterly line of Lot 21 in Block 4 of Lyford and Mann's Addition to Cragin of County Clerks Division of the east three quarters of Section 33, Township 40, Range 13; thence southeasterly on said southwesterly line to the northerly extension of the easterly line of Lot 31 in Block 1 of W. W. Marcy's Resubdivision of Block 1

that is 208.00 feet east of and parallel to the west line of the northeast quarter of said Section 31, convex easterly, having a radius of 348.55 feet, an arc distance of 85.78 feet, to a point of tangency; thence northerly, along said tangent, 44.74 feet; thence northwesterly, along a curve, convex southerly, having a radius of 769.02 feet, a distance of 8.30 feet; thence northwardly along the arc of a circle, convex to the east and having a radius of 272.94 feet, a distance of 14.75 feet to a point of tangent which is 175.47 feet, measured perpendicularly east from the west line of the southeast quarter of the northeast quarter aforesaid; thence northwardly along a straight line, a distance of 24.27 feet to a point of curve which is 169.56 feet, measured perpendicularly, east from the west line of the south east quarter of the northeast quarter aforesaid; thence northwestwardly along the arc of a circle, convex to the northeast and having a radius of 272.94 feet, a distance of 97.63 feet to a point of compound curve which is 129.54 feet, measured perpendicularly, east from the west line of the southeast quarter of the northeast quarter aforesaid; thence northwestwardly along the arc of a circle, convex to the northeast and having a radius of 558.69 feet, a distance of 98.06 feet to a point of tangent which is 67.10 feet, measured perpendicularly, east from the west line of the southeast quarter of the northeast quarter aforesaid; thence northwestwardly along a straight line, a distance of 26.85 feet to a point of curve which is 48.24 feet, measured perpendicularly, east from the west line of the southeast quarter of the northeast quarter aforesaid; thence northwestwardly along the arc of a circle, convex to the northeast and having a radius of 558.69 feet, to a point on said west line of the southeast quarter of the northeast quarter; thence north to the southwesterly right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence northwesterly on said southwesterly line to the westerly right-of-way line of Oak Park Avenue; thence northerly on said westerly right-of-way to the point of beginning, all in Cook County, Illinois.

*Exhibit "D".*  
(To Ordinance)

*Street Location Of The Area.*

The Area is made up of thirty-eight (38) blocks and is generally bounded on the north by West Grand, West Dickens and West Fullerton Avenues; on the east by the north/south alley east of North Cicero Avenue; on the south by West Cortland Street and West Bloomingdale Avenue; and on the west by North Nashville Avenue and the Metra Railway.

**EXHIBIT B**

Legal Description of the Property

**Permanent Tax Parcel Identification Numbers for the Property:**

13-32-400-004-0000  
13-32-400-005-0000  
13-32-400-007-0000  
13-32-400-030-0000  
13-32-400-048-0000  
13-32-400-049-0000  
13-32-400-050-0000  
13-32-400-051-0000  
13-32-400-053-0000  
13-32-400-055-0000  
13-32-500-002-0000

## EXHIBIT C

### TIF-ELIGIBLE IMPROVEMENTS

|                  |              |
|------------------|--------------|
| Land Acquisition | \$ 5,226,225 |
| TOTAL            | \$ 5,226,225 |

Notwithstanding the total of TIF-Eligible Improvements shown here, the assistance to be provided by the City is limited to the maximum amount of City Funds calculated pursuant to Section 4.03 herein.

## EXHIBIT G

### PERMITTED LIENS

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any

**[To be completed by Developer's counsel, subject to City approval.]**

## EXHIBIT H-1

### PROJECT BUDGET

#### Hard Costs

|                                    |                   |
|------------------------------------|-------------------|
| Acquisition                        | \$ 5,226,225      |
| Demolition/Site Prep               | \$ 100,000        |
| Environmental Remediation          | \$ 200,000        |
| Earthwork/Grading                  | \$ 500,000        |
| Utility Hook-Ups                   | \$ 200,000        |
| Parking Areas/Private Streets      | \$ 900,000        |
| Other Improvement (On/Off Site)    | \$ 1,150,000      |
| Construction Hard Costs            | \$ 9,850,000      |
| General Contractor Overhead/Profit | <u>\$ 450,000</u> |
| Total Hard Costs                   | \$ 18,885,000     |

#### Soft Costs

|                                      |                   |
|--------------------------------------|-------------------|
| Environmental Studies                | \$ 100,000        |
| Marketing/Leasing Fees & Commissions | \$ 150,000        |
| Construction Period Taxes/Insurance  | \$ 200,000        |
| Financing Fees                       | \$ 400,000        |
| Project Contingency                  | \$ 989,250        |
| Professional/Developer Fees          | <u>\$ 600,000</u> |
| Total Soft Costs                     | \$ 2,439,250      |

**Total Project Costs** **\$ 21,124,250**

**EXHIBIT H-2**

**MBE/WBE Budget**

**Hard Costs**

|                               |    |                   |
|-------------------------------|----|-------------------|
| Building Rehabbing            | \$ | 10,300,000        |
| Parking Areas/Private Streets | \$ | 900,000           |
| Demolition/Environmental      | \$ | 1,000,000         |
| Site Improvements             | \$ | 900,000           |
| Total                         | \$ | <u>13,100,000</u> |

**Soft Costs**

|                  |    |                |
|------------------|----|----------------|
| A & E            | \$ | 700,000        |
| Total Soft Costs | \$ | <u>700,000</u> |

**MBE/WBE Project Budget** **\$ 13,800,000**

**MBE Total** **\$ 3,312,000**

**WBE Total** **\$ 552,000**

**\$ 3,864,000**

MBE Contractor Budget (24%) = \$3,312,000 minimum  
WBE Contractor Budget (4%) = \$552,000 minimum

**EXHIBIT M**

FORM OF CITY NOTE

|            |                    |
|------------|--------------------|
| REGISTERED | MAXIMUM            |
| NO. R-1    | AMOUNT             |
|            | <b>\$5,226,225</b> |

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE (GALEWOOD/ARMITAGE  
REDEVELOPMENT PROJECT), TAXABLE SERIES 2006**

Registered Owner: THE CONSTRUCTION AND GENERAL LABORERS' DISTRICT COUNCIL OF CHICAGO AND VICINITY JOINT TRAINING AND APPRENTICESHIP FUND, a jointly-administered not-for-profit Taft-Hartley Trust Fund, which entity's legal name, as reflected in the current copy of the Trust Fund agreement, is the "Chicagoland Laborers' District Council Training and Apprentice Fund," and which entity is also known as (a/k/a) and is doing business as (d/b/a) the following: i) the "Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprentice Fund," ii) the "Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Trust Fund," iii) the "Chicago and Vicinity Laborers' Training Fund," iv) the "Chicagoland Laborers' District Council Training and Apprenticeship Fund," and v) the "Construction and General Laborers' District Council of Chicago and Vicinity Training and Education Fund."

Interest Rate:

Maturity Date: February 1, 2015

**KNOW ALL PERSONS BY THESE PRESENTS**, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner

to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$5,226,225 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the Available Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due February 1 of each year in accordance with Schedule I attached hereto until the earlier of Maturity or until this Note is paid in full. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. 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 principal amount of advances made from time to time by the Registered Owner up to \$5,226,225 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by THE CONSTRUCTION AND GENERAL LABORERS' DISTRICT COUNCIL OF CHICAGO AND VICINITY JOINT TRAINING AND APPRENTICESHIP FUND, a jointly-administered not-for-profit Taft-Hartley Trust Fund (the "Developer") in connection with the construction of a laborers' training and apprenticeship facility, surface parking, a retention pond/artificial wetlands, and landscaping (the "Project"), all within or adjacent to the Galewood/Armitage Industrial Redevelopment Project Area (the "Project Area") in the City, pursuant to a Redevelopment Agreement dated \_\_\_\_\_, 2006 by and between the City and Developer, 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 June 26, 2006 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and

the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCE. 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 redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption 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 redemption 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.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

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

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Project and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of \$5,226,225 shall be deemed to be a disbursement of the proceeds of this Note.

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

occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer of this Note. 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.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

**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 \_\_\_\_\_, 2006.

Mayor

(SEAL)

Attest:

City Clerk

**CERTIFICATE  
OF  
AUTHENTICATION**

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

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (Galewood/Armitage Redevelopment Project), Taxable Series 2006 of the City of Chicago, Cook County, Illinois.

Comptroller

Date:

**Schedule I**  
**DEBT SERVICE SCHEDULE**

[attach here]

**PRINCIPAL PAYMENT RECORD**

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

\_\_\_\_\_

the within Note and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

[name of current Registered Owner]

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

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

Date: \_\_\_\_\_, 20\_\_

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

\* \* \*

Notice: Transferor's signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company:

Signature Guaranteed: \_\_\_\_\_

\* \* \*

Consented to as of \_\_\_\_\_, 20\_\_ by:

CITY OF CHICAGO, acting through its  
DEPARTMENT OF PLANNING AND DEVELOPMENT

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

CERTIFICATION OF EXPENDITURE

\_\_\_\_\_, 2006

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
\$5,226,225 Tax Increment Allocation Revenue Note  
(Galewood/Armitage Redevelopment Project), Taxable Series 2006 (the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on \_\_\_\_\_, 2006 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$ \_\_\_\_\_ is advanced as principal under the Redevelopment Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is \$ \_\_\_\_\_, including the amount of this Certificate and less payment made on the Note.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of \_\_\_\_\_, 2006.

CITY OF CHICAGO

By:  
Commissioner  
Department of Planning and  
Development

AUTHENTICATED BY:

REGISTRAR

## **EXHIBIT N**

### **PUBLIC BENEFITS PROGRAM**

The Developer will contribute \$20,000 to the Lovett Elementary School, which school is located at 6333 W. Bloomingdale Street, Chicago, IL, promptly following the acquisition of the Property.

Redevelopment Note adopted by the City Council of the City on \_\_\_\_\_, 2006 (the "Ordinance"). All terms used herein shall have the same meanings as when used in the Ordinance.

The City hereby certifies that \$ \_\_\_\_\_ is advanced as principal under the Redevelopment Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is \$ \_\_\_\_\_, including the amount of this Certificate and less payments made on the Redevelopment Note.

In Witness Whereof, The City has caused this Certificate to be signed on its behalf as of \_\_\_\_\_.

City of Chicago

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

Authenticated By:

\_\_\_\_\_  
Registrar

DESIGNATION OF THE CONSTRUCTION AND GENERAL LABORERS'  
DISTRICT COUNCIL OF CHICAGO AND VICINITY JOINT  
TRAINING AND APPRENTICESHIP FUND AS PROJECT  
DEVELOPER, AUTHORIZATION FOR EXECUTION  
OF REDEVELOPMENT AGREEMENT AND  
ISSUANCE OF CITY NOTE FOR  
CONSTRUCTION OF TRAINING  
FACILITY AT 1841 NORTH  
MONITOR AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, June 28, 2006.

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration an ordinance authorizing entering into and executing a redevelopment agreement with The Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, amount of note not to exceed \$5,335,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

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

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

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

*Yeas* -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, M. Smith, Moore, Stone -- 49.

*Nays* -- None.

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

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on July 7, 1999, a certain redevelopment plan and project (the "Galewood/Armitage Plan") for the Galewood/Armitage Industrial Redevelopment Project Area (the "Galewood/Armitage Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on July 7, 1999, the Galewood/Armitage Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance (the "Galewood/Armitage T.I.F. Ordinance") adopted by the City Council on July 7, 1999, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs (as defined in the Act) ("Galewood/Armitage Redevelopment Project Costs") incurred in the Galewood/Armitage Area pursuant to the Galewood/Armitage Plan; and

WHEREAS, The Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Hartley Trust Fund (the "Company"), entered into an Agreement of Purchase and Sale, as amended, for the acquisition of certain property located within the Galewood/Armitage Area comprising approximately twenty-four (24) acres of vacant land west of Central Avenue and south of certain railroad property, having a current street address of 1841 North Monitor Avenue, Chicago, Illinois (the "Property"), and intends to commence and complete construction of a new facility and related components (the "Project") thereon; and

WHEREAS, The Project will include a training facility building having an approximate size of fifty-five thousand (55,000) square feet, with a green roof covering at least ten percent (10%) of the effective roof area of the building and containing training classrooms, work/training bays, a burning/welding room, a lunchroom, secure garage doors for access to construction equipment, staff and instructor offices, and a courtyard; and also at least two (2) parking lots containing a minimum of one hundred eighty-six (186) parking spaces aggregates; an retention pond/artificial wetland; landscaping encircling the wetland; various outdoor work stations for instruction in such matters as concrete placement, pneumatic tool use, mason tending, pipelaying and equipment operation; and

WHEREAS, The Project will produce fifty (50) temporary construction jobs, nine (9) permanent jobs, and, within twenty-four (24) months after the commencement of classes, will be training an annualized three thousand (3,000) people per year; and

WHEREAS, The Company proposes to undertake the Project in accordance with the Galewood/Armitage Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Company and the City, including but not limited to the completion of the Project, to be financed in part by the issuance of the Note (defined below); and

WHEREAS, Pursuant to Resolution 06-CDC-24, adopted by the Community Development Commission of the City of Chicago (the "Commission") on March 14, 2006, the Commission recommended that the Company be designated as the developer for the Project and that the City's Department of Planning and

Development ("D.P.D.") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company for the Project; and

WHEREAS, Since no other responsive proposals were received by D.P.D. for the redevelopment of the Property or a portion thereof within fourteen (14) days after such publication, pursuant to Resolution 06-CDC-24, the Commission has recommended that the Company be designated as the developer for the Project and that D.P.D. be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company for the Project; and

WHEREAS, In consideration of redevelopment project costs for the Project incurred or to be incurred by or on behalf of the Company, the City desires to issue, and the Company desires to acquire, according to certain terms and conditions, the Note (as defined below) as tax increment revenue obligations; and

WHEREAS, The City will receive no cash proceeds in exchange for the Note (as defined below) to be issued pursuant to this ordinance; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Company is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of D.P.D. (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Company and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 4. The City Council hereby authorizes the City to issue tax increment allocation revenue obligations in an amount not to exceed Five Million Three Hundred Thirty-five Thousand Dollars (\$5,335,000) for the purpose of paying a portion of the Galewood/Armitage Redevelopment Project Costs included within the Project.

SECTION 5. There shall be borrowed for and on behalf of the City an aggregate principal amount not to exceed Five Million Three Hundred Thirty-five Thousand Dollars (\$5,335,000) for the payment of a portion of the eligible Galewood/Armitage Redevelopment Project Costs included within the Project, and a revenue note of the City shall be issued up to said amount and shall be designated Tax Increment

Allocation Revenue Note (Galewood/Armitage Redevelopment Project), Taxable Series 2006, for a principal amount not to exceed Five Million Three Hundred Thirty-five Thousand Dollars (\$5,335,000) ("Note"). The Note shall be dated the date of delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein.

The Note shall bear interest at a rate not to exceed the lesser of (i) eight and seventy-five hundredths percent (8.75%), or (ii) the median value of ten (10) year Treasury Constant Maturities Notes as published in the Federal Reserve Statistical Release H15 for the fifteen (15) business days prior to the Closing Date, plus two hundred fifty (250) basis points.

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

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

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

**SECTION 6.** The City shall cause books (the "Register") for the registration and for the transfer of the Note as provided in this ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the Note. The City is authorized to prepare, and the Registrar shall keep custody of, multiple Note blanks executed by the City for use in the transfer of the Note.

Upon surrender for transfer of the Note at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by the registered owner or its attorney duly authorized in writing, and (iii) the written consent of the City evidenced by the signature of the Commissioner (or his or her designee) on the instrument of transfer, the City shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Note of the same maturity, of authorized denomination, for a like aggregate principal amount. The execution by the City of the fully registered Note shall constitute full and due authorization of the Note and the Registrar shall thereby be authorized to authenticate, date and deliver the Note; provided, however, that the principal amount of the Note authenticated by the Registrar shall not exceed the authorized principal amount of the Note less previous retirements. The Registrar shall not be required to transfer or exchange the Note during the period beginning at the close of business on the fifteenth (15<sup>th</sup>) day of the month immediately prior to the maturity date of the Note nor to transfer or exchange the Note after notice calling the Note for redemption has been made, nor during a period of five (5) days next preceding mailing of a notice of redemption of principal of the Note. No beneficial interests in the Note shall be assigned, except in accordance with the procedures for transferring the Note described above.

The entity(ies) in whose name(s) the Note shall be registered shall be deemed and regarded as the absolute owner(s) thereof for all purposes, and payment of the principal of the Note shall be made only to or upon the order of the registered owner(s) thereof or its (their) legal representative(s). All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

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

**SECTION 7.** The principal of the Note shall be subject to redemption as provided in the form of Note attached hereto as Exhibit B. As directed by the Commissioner, the Registrar shall proceed with redemptions without further notice or direction from the City.

SECTION 8. The Registrar shall state on the Payment Record attached to the Note the amount of any payment of principal or interest on the Note, including the amount of any redemption, and the amount of any reduction in principal pursuant to the Redevelopment Agreement.

SECTION 9. The Note shall be prepared in substantially the form attached hereto as Exhibit B.

SECTION 10. The Note hereby authorized shall be executed and delivered as provided in this ordinance and the Redevelopment Agreement.

SECTION 11. Pursuant to the Redevelopment Agreement, the Company has performed and continues to perform construction and redevelopment work on the Property as necessary for the Project. The eligible costs of the performance of such construction and redevelopment up to the amount not to exceed Five Million Three Hundred Thirty-five Thousand Dollars (\$5,335,000) shall be deemed to be a disbursement of the proceeds of the Note, and the outstanding principal amount of the Note shall be increased by the amount of such advance. The principal amount of the Note outstanding from time to time shall be the amount of principal indicated in the Note on its date of issuance, or the sum of advances made pursuant to one (1) or more certificates of expenditure ("Certificate of Expenditure") executed by the Commissioner (or his or her designee) and authenticated by the Registrar, in accordance with the Redevelopment Agreement, minus any principal amount paid on the Note and other reductions in principal, if any, as provided in the Redevelopment Agreement. A Certificate of Expenditure shall not be valid or obligatory under this ordinance unless or until authenticated by the Registrar by manual or facsimile signature. The City shall not execute Certificates of Expenditure that total in excess of Five Million Three Hundred Thirty-five Thousand Dollars (\$5,335,000). Upon execution of a Certificate of Expenditure, the Registrar shall promptly send the Certificate of Expenditure to the Registered Owner and retain a copy with the Register. The Certificate of Expenditure for the Note shall be in substantially the form attached to the respective Note.

SECTION 12. The City hereby assigns, pledges and dedicates to the payment of the principal of and interest, if any, on the Note, when due, in accordance with, and subject to, the terms and conditions of the Redevelopment Agreement and the Note, a portion of the Available Incremental Taxes (as such term is defined in and determined pursuant to the Redevelopment Agreement). Subject to the terms and conditions of the Note and the Redevelopment Agreement, portions of the Available Incremental Taxes shall be used to pay the principal of and interest on the Note, from time to time, at maturity or upon payment or redemption prior to maturity, which payments are hereby authorized and appropriated by the City. Upon payment of all amounts due under the Note in accordance with the terms and conditions of the Note and the Redevelopment Agreement, the City's assignment, pledge and dedication of such portions of the Available Incremental Taxes shall terminate and

neither the Company nor the registered owner(s) of the Note shall have any right, title, interest or claim whatsoever in such portion of them.

SECTION 13. The Note is special limited obligation of the City, and is payable solely from a portion of the Available Incremental Taxes pursuant to the Redevelopment Agreement (or such other funds as the City, in its sole discretion, may determine), and shall be valid claims of the registered owner thereof only against said source. None of the Note shall 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(s) of the Note shall not have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of or interest on the Note.

SECTION 14. Available Incremental Taxes may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago. Each such investment shall mature on a date prior to the date on which said amounts are needed to pay the principal of or interest on any of the Note.

SECTION 15. The Registrar shall maintain a list of the name and address of the registered owner(s) from time to time of the Note and upon any transfer shall add the name(s) and address(es) of the new registered owner(s) and eliminate the name(s) and address(es) of the transferor(s).

SECTION 16. The provisions of this ordinance shall constitute a contract between the City and the registered owner(s) of the Note. All covenants relating to the Note are enforceable by the registered owner(s) of the Note.

SECTION 17. The Mayor, the Comptroller, the City Clerk, the Commissioner (or his or her designee) and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 18. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 19. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 20. This ordinance shall be in full force and effect immediately upon its passage.

Exhibits "A" and "B" referred to in this ordinance read as follows:

*Exhibit "A".  
(To Ordinance)*

*Laborers' Training Center Redevelopment Agreement*

*By And Between*

*The City Of Chicago*

*And*

*The Construction And General Laborers' District Council  
Of Chicago And Vicinity Joint Training And  
Apprenticeship Fund.*

This Laborers' Training Center Redevelopment Agreement (this "Agreement") is made as of this \_\_\_\_\_ day of , 2006, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("D.P.D."), and The Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Hartley Trust Fund (the "Developer").

*Recitals.*

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

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

C. City Council Authority. To induce redevelopment pursuant to the Act, the City Council of the City (the "the City Council") adopted the following ordinances on July 7, 1999:

(1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Galewood/Armitage Industrial Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Galewood/Armitage Industrial Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Galewood/Armitage Industrial Redevelopment Project Area" (the "T.I.F. Adoption Ordinance").

Items (1) -- (3) are collectively referred to herein as the "T.I.F. Ordinances". The Galewood/Armitage Industrial Redevelopment Project Area (the "Redevelopment Area") referred to above is legally described in (Sub)Exhibit A hereto.

On \_\_\_\_\_, 2006, the City Council adopted an ordinance authorizing the execution of this Agreement.

D. The Project. The Developer, as of October 24, 2005, entered into an Agreement of Purchase and Sale, as amended, for the acquisition (the "Acquisition") of certain property located within the Redevelopment Area comprising approximately twenty-four (24) acres of vacant land west of Central Avenue and south of certain railroad property, having a current street address of 1841 North Monitor Avenue, Chicago, Illinois and legally described on (Sub)Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction of a new facility and related components (the "Facility") thereon.

The Facility will include, at minimum, the following components:

- in the middle one-third ( $\frac{1}{3}$ ) of the site, a training facility building, having an approximate size of fifty-five thousand (55,000) square feet;
- said building to contain training classrooms, work/training bays, a burning/welding room, a lunchroom, secure garage doors for access to construction equipment, staff and instructor offices and a courtyard;
- at least two (2) parking lots containing a minimum of one hundred eighty-six (186) parking spaces aggregate;
- on the eastern one-third ( $\frac{1}{3}$ ) of the site, a retention pond/artificial wetland;
- landscaping encircling the wetland, including numerous trees and a pedestrian pathway;
- on the western one-third ( $\frac{1}{3}$ ) of the site, various outdoor work stations for instruction in such matters as concrete placement, pneumatic tools, mason tending, pipelaying and equipment operation;

- a graded, two (2) way access road connecting the parking areas to the base of the existing two (2) way access road leading down to the site from Central Avenue;
- a green roof (defined below) covering at least ten percent (10%) of the effective roof area of the building; and
- the building, the parking lots, and the western portion of the site shall be capable of expansion in future years.

The Facility and related improvements (including but not limited to those T.I.F.-Eligible Improvements as defined below and set forth on (Sub)Exhibit C) are collectively referred to herein as the "Project". The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. **Redevelopment Plan.** The Project will be carried out in accordance with this Agreement and the City of Chicago Galewood/Armitage Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto (Sub)Exhibit D.

F. **City Financing.** The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) the proceeds of the City Note (as defined below) and/or (ii) Available Incremental Taxes, to pay for or reimburse the Developer for the costs of T.I.F.-Eligible Improvements pursuant to the terms and conditions of this Agreement and the City Note.

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

*Section 1.*

*Recitals.*

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

*Section 2.*

*Definitions.*

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

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

“Actual residents of the City” shall have the meaning set forth in Section 10.02 hereof.

“Acquisition” shall have the meaning set forth in the recitals hereof.

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

“Available Incremental Taxes” shall mean an amount equal to sixty-six and sixty-seven hundredths percent (66.67%) of the Incremental Taxes deposited in the Galewood/Armitage Industrial Special Tax Allocation Fund attributable to the taxes levied upon the entire Redevelopment Area from the first instance in which the Facility affected said taxes.

“Certificate” shall mean the Certificate of Completion of Construction described in Section 7.01 hereof.

“Change Order” shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Sections 3.02 and 3.03.

“City Council” shall have the meaning set forth in the recitals hereof.

“City Funds” shall mean the funds described in Section 4.03(b) hereof.

“City Note” shall mean the City of Chicago Tax Increment Allocation Revenue Note (Galewood/Armitage Redevelopment Project) Taxable Series 2006, in the amount of Five Million Three Hundred Thirty-five Thousand Dollars (\$5,335,000). The City Note shall be in the form attached hereto as (Sub)Exhibit M. The City Note shall bear at such annual rates and on such other terms as are set forth in Section 4.03(c) hereof.

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

“Commissioner” shall mean the Commissioner of the City’s Department of Planning and Development.

“Construction Contract” shall mean that certain contract, substantially in the form attached hereto as (Sub)Exhibit E, that has been entered into between the Developer and the General Contractor providing for construction of the Project.

“Corporation Counsel” shall mean the City’s Office of Corporation Counsel.

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

“Environmental Laws” shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.) (ii) any so-called “Superfund” or “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802, et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902, et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251, et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1, et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

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

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

“Facility” shall have the meaning set forth in the recitals hereof.

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

“Galewood/Armitage Industrial Special Tax Allocation 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.

“General Contractor” shall mean \_\_\_\_\_ or such other contractor as may be approved by the City.

“Green Roof” shall mean a four (4) inch deep Greengridd modular system consisting of a root anti-penetration layer, a drainage layer, a water filter mat, a growing medium and drought-tolerant plants, or a similar modular system, to be placed on top of and covering at least ten percent (10%) of the main roof of the building on the Facility site, and that is designed to be low-maintenance and to provide living plants thereon for at least five (5) years after initial installation thereof.

"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.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the T.I.F. 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 Galewood/Armitage Industrial Special Tax Allocation Fund for the Redevelopment Area established to pay Redevelopment Project Costs and obligations incurred in the payment thereof

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

"M.B.E.(s)" shall mean a business identified in the *Directory of Certified Minority Business Enterprises* published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

"M.B.E./W.B.E. Budget" shall mean the budget attached hereto as (Sub)Exhibit H-2, as described in Section 10.03.

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

"New Mortgage" shall have the meaning set forth in Section 16 hereof.

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

"Occupancy Period" shall mean the period of time commencing on the Closing Date and continuing for ten (10) years thereafter.

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

"Permitted Mortgage" shall have the meaning set forth in Section 16 hereof.

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

“Prior Expenditure(s)” shall have the meaning set forth in Section 4.05 hereof

“Project” shall have the meaning set forth in the recitals hereof.

“Project Budget” shall mean the budget attached hereto as (Sub)Exhibit H-1, showing the total cost of the Project by line item, furnished by the Developer to D.P.D., in accordance with Section 3.03 hereof.

“Property” shall have the meaning set forth in the recitals hereof.

“Redevelopment Area” shall have the meaning set forth in the recitals hereof.

“Redevelopment Plan” shall have the meaning set forth in the recitals hereof.

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

“Requisition Form” shall mean the document, in the form attached hereto as (Sub)Exhibit L, to be delivered by the Developer to D.P.D. pursuant to Section 4.04 of this Agreement.

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

“Survey” shall mean a Class A plat of survey in the most recently revised form of A.L.T.A./A.C.S.M. land title survey of the Property dated within forty-five (45) days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on December 31, 2022.

“T.I.F. Adoption Ordinance” shall have the meaning set forth in the recitals hereof.

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

"T.I.F. Ordinances" shall have the meaning set forth in the recitals hereof.

"Title Company" shall mean Chicago Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised A.L.T.A. 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.

"W.A.R.N. Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101, et seq.).

"W.B.E.(s)" shall mean a business identified in the *Directory of Certified Women Business Enterprises* published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

### Section 3.

#### *The Project.*

##### 3.01 The Project.

On or before the date hereof, or within sixty (60) days thereafter, the Developer shall have completed its Acquisition of the Property. The Developer shall commence construction of the Project not later than March 15, 2007 and shall complete the Project and conduct business operations therein no later than March 31, 2008, subject to the provisions of Section 18.17 of this Agreement. The Project shall be carried out substantially in accordance with the Plans and Specifications for the Project.

##### 3.02 Scope Drawings And Plans And Specifications.

The Developer has delivered the Scope Drawings and Plans and Specifications to D.P.D. and D.P.D. has approved same. After such initial approval, subsequent

proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to D.P.D. as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

### 3.03 Project Budget.

The Developer has furnished to D.P.D., and D.P.D. has approved, a Project Budget showing total costs for the Project in an amount not less than Twenty-one Million One Hundred Twenty-four Thousand Two Hundred Fifty Dollars (\$21,124,250). The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs, and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to D.P.D. certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof

### 3.04 Change Orders.

Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to D.P.D. concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order (or combination of Change Orders) relating to any of the following must be submitted by the Developer to D.P.D. for D.P.D.'s prior written approval: (a) a cumulative reduction of five percent (5%) or more in the gross or net square footage of the Facility; (b) a cumulative increase of ten percent (10%) or more in the Project Budget; (c) a change in the use of the Property; or (d) a delay in the completion of the Project (including the Green Roof) by more than three (3) months past March 31, 2008. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of D.P.D.'s written approval (to the extent required in this section).

### 3.05 D.P.D. Approval.

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

approval by D.P.D. pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

### 3.06 Other Approvals.

Any D.P.D. approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer warrants hereby that it has obtained all necessary permits and approvals for the commencement of construction of the Project (including but not limited to D.P.D.'s approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder, except for the following, which Developer shall obtain prior to commencement of the Project:

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### 3.07 Progress Reports And Survey Updates.

The Developer shall provide D.P.D. with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring D.P.D.'s written approval pursuant to Section 3.04). The written quarterly progress reports shall include duplicates of applicable support documentation verifying the disbursement and receipt of overall Project funds (i.e. invoices, canceled checks, partial and final waivers-of-lien, et cetera). Developer shall also provide monthly reports to D.P.D. on M.B.E./W.B.E. utilization, prevailing wage and City residency based on expenditures to-date, which report shall include, if applicable, a plan by the Developer to address any shortfalls. The City retains the right to review construction-related draw requests which must be accompanied by, among other things, invoices, canceled checks, lien waivers owner's sworn statement, general contractor's sworn statement and M.B.E./W.B.E. subcontractor contract amounts and certification letters as a prerequisite to disbursement. The Developer shall provide three (3) copies of an updated Survey to D.P.D. upon the request of D.P.D. or any lender providing Lender Financing, reflecting improvements made to the Property.

### 3.08 Inspecting Agent Or Architect.

An independent agent or architect (other than the Developer's architect) approved by D.P.D. shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to D.P.D., prior to requests for disbursement for costs related to the Project.

### 3.09 Barricades.

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

### 3.10 Signs And Public Relations.

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

### 3.11 Utility Connections.

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

### 3.12 Permit Fees.

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

## *Section 4.*

### *Financing.*

#### 4.01 Total Project Cost And Sources Of Funds.

The cost of the Project is estimated to be Twenty-one Million One Hundred Twenty-four Thousand Two Hundred Fifty Dollars (\$21,124,250) to be applied in the manner set forth in the Project Budget. Such costs shall be funded solely from Equity and/or Lender Financing.

#### 4.02 Developer Funds.

Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs and costs of T.I.F.-Eligible Improvements.

#### 4.03 City Funds.

(a) **Uses Of City Funds.** City Funds (as defined below) may only be used to pay directly or reimburse the Developer for costs of T.I.F.-Eligible Improvements that constitute Redevelopment Project Costs. (Sub)Exhibit C sets forth, by line item, the T.I.F.-Eligible Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to D.P.D. evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate.

(b) **Issuance Of City Note; Sources Of City Funds.** Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue the City Note to the Developer on the Closing Date to provide for reimbursement to Developer for the costs of the T.I.F.-Eligible Improvements.

Subject to the terms and conditions of this Agreement, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay principal of and interest on the City Note:

| Sources Of City Funds       | Maximum Amount   |
|-----------------------------|--|
| Available Incremental Taxes | The lesser of: <ul style="list-style-type: none"> <li>(i) Five Million three Hundred Thirty-five Thousand Dollars (\$5,335,000),</li> <li>(ii) twenty-five percent (25%) of the actual total Project costs, or</li> <li>(iii) one hundred percent (100%) of the costs of the T.I.F.-Eligible Improvements;</li> </ul> plus interest that accrues on the City Note. |

(c) Amount Of Principal Of The City Note; Maximum Interest Thereon. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City shall, on the Closing Date and thereafter as Certificates of Expenditure are issued, set the initial principal balance and increase the principal balance of the City Note as indicated on the following schedule, subject to the maximum amount of the City Note set forth above:

**Initial Balance:**

The dollar value of all Prior Expenditures (as defined in Section 4.05 herein) that are T.I.F. Eligible Improvements.

**Increases In Balance:**

The aggregate dollar value of all Certificates of Expenditure issued by the City in connection with this City Note.

Interest on the outstanding and unpaid principal of the City Note shall commence accrual and compounding (at the rate set forth in the City Note) on the date the City delivers the Certificate to the Developer pursuant to Section 7 hereof. The interest rate for the City Note shall be set at its issuance date (although interest shall not accrue until the Certificate is issued) and shall not exceed the following per annum based on a three hundred sixty (360) day year:

the lesser of (i) eight and seventy-five hundredths percent (8.75%), or (ii) the median interest rate for the ten (10) year Treasury Constant Maturities Notes as published in the Federal Reserve Statistical Release H-15 for the fifteen (15) business days prior to the Closing Date, plus two hundred fifty (250) basis points

Any interest that has accrued under the City Note and remains unpaid following a scheduled payment date shall accrue interest per annum at the scheduled interest rate, but such interest on interest shall not be deemed to increase the principal of the City Note.

(d) Payment Obligations On City Note; Priority Of Payments. The payment obligation of the City on the City Note shall commence on the date the City delivers the Certificate to the Developer pursuant to Section 7 hereof. Payments on the City Note, if any, shall be made once annually by the City on or about the next February 1<sup>st</sup> to occur following the City's receipt, not later than October 1<sup>st</sup> of the prior year, of a properly completed Requisition Form. Developer shall not tender any Requisition Form to the City prior to the issuance of the Certificate.

On each payment date, the City agrees to pay, on the City Note, in the manner and from the City Funds set forth below, the following amounts:

| City Note | Source Of City Funds             | Amount Of Payment  |
|-----------|----------------------------------|--|
| City Note | From Available Incremental Taxes | The lesser of:<br><br>i) Five Hundred Ninety-five Thousand Dollars (\$595,000),<br>or<br><br>ii) all Available Incremental Taxes |

Payments on the City Note shall continue (including, if necessary, beyond the term of the corresponding debt service schedule) until the City Note is fully paid or discharged, subject to the terms, conditions and limitations with respect thereto contained in the City Note and in this Agreement. Payments on the City Note shall first be applied to unpaid interest, if any, then to current interest, if any, and then to principal.

(e) Prepayment. The City may pre-pay, in whole or in part, the City Note at any time, but in the sequence and priority in which it becomes payable, using any Available Incremental Taxes or other monies available to the City.

(f) Unavailability Of City Funds. The City is not obligated to pay principal or interest on the City Note in any year in which there are no City Funds. If, at the end of the Term of the Agreement, any outstanding unpaid principal amount of and/or interest on the City Note exists (the "Outstanding Amount"), the Outstanding Amount shall be forgiven in full by the Developer, and the City shall have no obligation to pay the Outstanding Amount after the end of the term of the Agreement.

#### 4.04 Requisition Form.

After the issuance of the Certificate and thereafter throughout the earlier of (i) the term of the Agreement, or (ii) the date that the City Note has been paid in full under this Agreement, the Developer shall provide D.P.D. with a Requisition Form in the form set forth in (Sub)Exhibit L hereto, along with the documentation described therein, in order to request payments under the City Note. Such Requisition Form(s) shall contain as part thereof certifications as to continuing operations and compliance generally with this Agreement. Requisition Forms shall not be submitted more than once per calendar year (or as otherwise permitted by D.P.D.) and not later

than October 1 of any given year. At the request of D.P.D., the Developer shall meet with D.P.D. to discuss any Requisition Form(s) delivered to D.P.D.

#### 4.05 Treatment Of Prior Expenditures.

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

#### 4.06 Cost Overruns.

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

#### 4.07 Certificates Of Expenditure.

Certificates of Expenditure shall be issued by the City (provided the Developer has demonstrated the dollar value test set forth below) approximately sixty (60) days after the Closing Date and every ninety (90) days thereafter until the Maximum Amount of the City Note has been reached. The dollar value of each Certificate of Expenditure shall be set by the City and will equal the amount of Equity and Lender Financing demonstrated, to the reasonable satisfaction of the City, to have been expended by the Developer on the T.I.F.-Eligible Improvements of the Project over and above the amounts of Equity and Lender Financing that have been accounted for in all prior Certificates of Expenditure, pursuant to the preconditions set forth in the paragraphs below.

Prior to each execution of a Certificate of Expenditure by the City, the Developer shall demonstrate its progress on the Project by timely submitting to the City a

request for execution of a Certificate of Expenditure, which request shall include: (i) documentation (including an owner's sworn statement) regarding Developer's then-current Project expenditures on T.I.F.-Eligible Improvements and executed lien waivers for same, which documentation shall be made satisfactory to D.P.D. in its sole discretion, (ii) progress reports containing the information set forth in Section 8.07 herein, and, if required by said, section, (iii) a plan for correcting any compliance shortfall. Delivery by the Developer to D.P.D. of any request for execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for execution of a Certificate of Expenditure, that:

(a) the total amount of the request for Certificate of Expenditure represents the actual amount in T.I.F.-Eligible Improvements paid to the General Contractor and/or subcontractors that have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the request for Certificate of Expenditure have been paid to the parties entitled to such payment;

(c) the Developer has approved all work and materials referenced in the request for Certificate of Expenditure and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties contained in this Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained herein;

(e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Project which have not been cured or insured over except for the Permitted Liens; and

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred.

The City may require the Developer to submit further documentation to verify that the matters certified to above are true and correct, and any execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of execution of a Certificate of Expenditure including, but not limited to, the T.I.F. Ordinances or this Agreement.

#### 4.08 Conditional Grant.

The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement.

#### 4.09 Cost Of Issuance.

The Developer shall be responsible for paying all costs relating to the issuance of the City Note, including costs relating to the opinion described in Section 5.09 hereof.

### *Section 5.*

#### *Conditions Precedent To Closing.*

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

##### 5.01 Project Budget.

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

##### 5.02 Score Drawings And Plans And Specifications.

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

##### 5.03 Other Governmental Approvals.

The Developer has secured all other necessary approvals and permits required by any state, federal or local statute, ordinance or regulation and has submitted evidence thereof to D.P.D., with the exception of the following, which shall be secured prior to commencement of the Project: \_\_\_\_\_.

##### 5.04 Financing.

The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this

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

#### 5.05 Acquisition And Title.

On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on SubExhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to D.P.D., on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to D.P.D.'s satisfaction, by the Title Policy and any endorsements thereto.

#### 5.06 Evidence Of Clean Title.

The Developer, at its own expense, has provided the City with searches under the Developer's name, as follows:

|                      |                    |
|----------------------|--------------------|
| Secretary of State   | UCC search         |
| Secretary of State   | 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   |

#### 5.12 Documentation.

The Developer shall have provided evidence satisfactory to D.P.D., in its sole discretion, with respect to its ability to satisfy M.B.E./W.B.E. and City resident employment standards. Such documentation shall include, without limitation, an M.B.E./W.B.E. utilization plan, including Schedules C and D, and evidence of the General Contractor's having met with, and having provided bid documents to, applicable M.B.E./W.B.E. contractors and subcontractors.

#### 5.13 Environmental.

The Developer has provided D.P.D. with copies of that certain Phase I environmental audit completed with respect to the Property and any Phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

#### 5.14 Corporate Documents; Economic Disclosure Statement.

The Developer has provided a copy of its Articles of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws of the corporation; and such other corporate documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

#### 5.15 Litigation.

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

#### 5.16 Leases.

The Developer has provided D.P.D. a copy of any leases (executed or proposed) for the Facility.

Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to D.P.D. and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

#### 6.03 Performance And Payment Bonds.

Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as (Sub)Exhibit P hereto. The City shall be named as obligee or co-obligee on any such bonds.

#### 6.04 Employment Opportunity.

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

#### 6.05 Other Provisions.

In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (M.B.E./W.B.E. Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the T.I.F.-Eligible Improvements shall be provided to D.P.D. within five (5) business days of the execution thereof.

### *Section 7.*

#### *Completion Of Construction Or Rehabilitation.*

#### 7.01 Certificate Of Completion Of Construction.

Upon proof provided to D.P.D.'s satisfaction of:

(i) completion of the construction of the Project (including the Green Roof) in accordance with the terms of this Agreement;

the Occupancy Period notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

#### 7.03 Failure To Complete.

If the Developer fails to complete the Project by the date set forth for completion in Section 3.01 hereof (e.g., March 31, 2008) in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

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

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

(c) the right to seek reimbursement of the City Funds from the Developer.

#### 7.04 Notice Of Expiration Of Term Of Agreement.

Upon the expiration of the Term of the Agreement, D.P.D. shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

### *Section 8.*

#### *Covenants/Representations/Warranties Of The Developer.*

##### 8.01 General.

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of D.P.D.: (1) enter into any transaction outside the ordinary course of the Developer's business; (2) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; (3) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; and, in addition, during the entire Term of this Agreement, Developer shall not do any of the following without the prior written consent of D.P.D.; (4) be a party to any merger, liquidation or consolidation; or (5) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto), except to a wholly-owned subsidiary of the Developer;

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

(l) 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; and

(m) neither the Developer nor any affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, the Bureau of Industry and Security of the United States Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate", when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

occupy and operate the Facility as an integral part of the Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Hartley Trust Fund.

The Developer hereby covenants and agrees that the Project will produce fifty (50) temporary construction jobs.

The Developer hereby covenants and agrees that, once training and apprenticeship operations commence at the Facility, it shall maintain nine (9) permanent jobs one (1) Director-Supervisor, six (6) instructors, one (1) office worker, one (1) maintenance worker at the Facility for the Occupancy Period. The Developer hereby covenants and agrees that it will maintain a payroll of approximately Three Hundred Thousand Dollars (\$300,000) during construction and of approximately Six Hundred Fifty Thousand and no/100 Dollars (\$650,000.00) each year of the Occupancy Period once training and apprenticeship operations commence at the Facility.

The Developer hereby covenants and agrees: i) that, within twelve (12) months after classes commence, the Facility will train an annualized one thousand five hundred (1,500) people a year; ii) that, not later than twenty-four (24) months after classes commence, the Facility will be training an annualized average of three thousand (3,000) people per year; and iii) that the Facility will be training an annualized average of three thousand (3,000) people per year thereafter for the remainder of the Occupancy Period or until full repayment of the Note has been made, whichever is later.

The Developer and the City acknowledge that the Developer's laborers apprentice program, which has stringent admission criteria, including passing an entrance exam, must abide by the rules set forth in 29 C.F.R. Part 30 -- Equal Employment Opportunity in Apprenticeship and Training, as well as the rules in its Apprenticeship Standards and, therefore, by law cannot " earmark " or limit apprentice slots in the training program to specific people such as Chicago residents.

Each January during the Occupancy Period, the Developer shall provide D.P.D. an affidavit certifying to its continuing observance of the above covenant. (The affidavit may be combined with the public benefits compliance report required at Section 8.20 hereof.)

The covenant set forth in this Section 8.06 shall run with the land and be binding upon any transferee.

#### 8.07 Employment Opportunity; Progress Reports.

The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to

of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

#### 8.12 Disclosure Of Interest.

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

#### 8.13 Financial Statements.

The Developer shall obtain and provide to D.P.D. Financial Statements for the Developer's fiscal year ended 2005 and each fiscal year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as D.P.D. may request.

#### 8.14 Insurance.

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

#### 8.15 Non-Governmental Charges.

(a) Payment Of Non-Governmental Charges. Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided, however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to D.P.D., within thirty (30) days of D.P.D.'s request, official receipts from the appropriate entity, or other proof satisfactory to D.P.D., evidencing payment of the Non-Governmental Charge in question.

filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing or, if one or more such mortgages exist, then the Subordination Agreement set forth in (Sub)Exhibit O hereto shall be executed and recorded. The Developer shall pay all fees and charges incurred in connection with any such recordings. Upon making the recordings, the Developer shall immediately transmit to the City executed originals of this Agreement and the Subordination Agreement showing the dates and recording numbers of record.

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

(ii) **Right To Contest.** The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below, if any; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to D.P.D. of the Developer's intent to contest or object to a Governmental Charge and, unless, at D.P.D.'s sole option,

(i) the Developer shall demonstrate to D.P.D.'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

## 8.22 Survival Of Covenants.

All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement (and, as for the covenant to operate the Project, will continue to remain in full force and effect throughout the Occupancy Period).

## Section 9.

### *Covenants/Representations/Warranties Of City.*

#### 9.01 General Covenants.

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

#### 9.02 Survival Of Covenants.

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

#### 9.03 Training Assistance.

The Mayor's Office for Workforce Development (M.O.W.D.) has been informed of the project and will work with the Developer on job training and placement.

## Section 10.

### *Developer's Employment Obligations.*

#### 10.01 Employment Opportunity.

The Developer, on behalf of itself and its successors and assigns, hereby agrees,

the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

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

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

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

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

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

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

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

Weekly certified payroll reports United States Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of D.P.D. in triplicate, which

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 M.B.E./W.B.E. Commitment.

The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420, et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650, et seq., Municipal Code of Chicago (the "Construction Program", and collectively with the Procurement Program, the "M.B.E./W.B.E. Program"), and in reliance upon the provisions of the M.B.E./W.B.E. 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 M.B.E./W.B.E. Budget (as set forth in (Sub)Exhibit H-2 hereto) shall be expended for contract participation by M.B.E.s and by W.B.E.s:

- (1) At least twenty-four percent (24%) by M.B.E.s.
- (2) At least four percent (4%) by W.B.E.s.

(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" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's M.B.E./W.B.E. commitment may be achieved in part by the Developer's status as an M.B.E. or W.B.E. (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one (1) or more M.B.E.s or W.B.E.s (but only to the extent of the lesser of (i) the M.B.E. or W.B.E. participation in such joint venture or (ii) the amount of any actual work performed on the Project by the M.B.E. or W.B.E.), by the Developer utilizing a M.B.E. or a W.B.E. as the 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 (1) or more M.B.E.s or W.B.E.s, or by the purchase of materials or services used in the Project from one or more M.B.E.s or W.B.E.s, or by any combination of the

(ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that M.B.E./W.B.E. contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

#### *Section 11.*

##### *Environmental Matters.*

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto 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: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which the Developer, or any person directly or indirectly controlling, controlled by or under common control with the Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

1) Workers' Compensation And Employer's Liability.

Workers' Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than Five Hundred Thousand Dollars (\$500,000) each accident, illness or disease.

2) Commercial General Liability (Primary And Umbrella).

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

3) Automobile Liability (Primary And Umbrella).

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than Two Million Dollars (\$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, noncontributory basis.

4) Railroad Protective Liability.

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than Two Million Dollars (\$2,000,000) per occurrence and Six Million Dollars (\$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.

5) All Risk/Builders Risk.

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must provide or cause to be

**Other Requirements:** The Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, 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 must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. 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 Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Nonconforming insurance does not relieve 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 stop work and/or terminate agreement until proper evidence of insurance is provided.

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

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

The Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit the Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor

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

*Section 14.*

*Maintaining Records/Right To Inspect.*

14.01 Books And Records.

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

14.02 Inspection Rights.

Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

*Section 15.*

*Default And Remedies.*

15.01 Events Of Default.

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

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer that is not dismissed within thirty (30) days, or the indictment of the Developer for any crime (other than a misdemeanor).

#### 15.02 Remedies.

Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds; provided, however, that in the event of a failure to maintain the annualized average number of trainees set forth in Section 8.06 hereof, the Developer shall first be given an opportunity to demonstrate the existence of any economic hardships that may explain the failure. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief, the recovery of City Funds already disbursed to Developer, or the specific performance of the agreements contained herein.

#### 15.03 Curative Period.

In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

### *Section 16.*

#### *Mortgaging Of The Project.*

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on (Sub)Exhibit G hereto (including but

*Section 17.**Notice.*

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

If To The City:

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

with copies to:

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

If To The Developer:

The Construction and General Laborers'  
District Council of Chicago and Vicinity  
Joint Training and Apprenticeship  
Fund, a jointly-administered not-for-  
profit Taft-Hartley Trust Fund  
1200 Old Gary Avenue  
Carol Stream, Illinois 60188  
Attention: Peter Ruff, Administrator

with copies to:

Charles R. Bernardini  
Ungaretti & Harris  
3500 Three First National Plaza  
Chicago, Illinois 60602

#### 18.04 Further Assurances.

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

#### 18.05 Waiver.

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

#### 18.06 Remedies Cumulative.

The remedies of a party hereunder are cumulative and the exercise of any one (1) 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.

successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

#### 18.16 Binding Effect.

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

#### 18.17 Force Majeure.

Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

#### 18.18 Exhibits.

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

#### 18.19 Business Economic Support Act.

Pursuant to the Business Economic Support Act (30 ILCS 760/1, et seq.), if the Developer is required to provide notice under the W.A.R.N. Act, the Developer shall, in addition to the notice required under the W.A.R.N. Act, provide at the same time

this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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.

The Construction and General Laborers'  
District Council of Chicago and  
Vicinity Joint Training and  
Apprenticeship Fund, a jointly-  
administered not-for-profit Taft-  
Hartley Trust Fund

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

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

City of Chicago, by and through its  
Department of Planning and  
Development

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

Commissioner

State of Illinois )  
                          )SS.  
County of Cook )

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, do hereby certify that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of The Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Hartley Trust Fund (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

[(Sub)Exhibits "F" and "K" not referenced to in this Laborers' Training Center Redevelopment Agreement.]

[(Sub)Exhibits "D", "E", "I", "O", "P" and City of Chicago Insurance Certificate Form referred to in this Laborers' Training Center Redevelopment Agreement unavailable at time of printing.]

[(Sub)Exhibit "M" referred to in this Laborers' Training Center Redevelopment Agreement constitutes Exhibit "B" to ordinance and printed on pages 78698 through 78705 of this *Journal*.]

(Sub)Exhibits "A", "B", "C", "G", "H-1", "H-2", "J", "L" and "N" referred to in this Laborers' Training Center Redevelopment Agreement read as follows:

*(Sub)Exhibit "A".*  
(To Laborers' Training Center  
Redevelopment Agreement)

*Legal Description.*

That part of Sections 31, 32 and 33, Township 40 North, Range 13, East of the Third Principal Meridian, described as follows:

beginning at the intersection of the westerly right-of-way line of North Oak Park Avenue and the northeasterly right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence southeasterly on said northeasterly right-of-way line to the east line of the west half of the northeast quarter of said Section 31; thence north, along said east line of the west half of Section 31, to the westerly right-of-way line of a north/south railroad right-of-way of said Chicago, Milwaukee, St. Paul and Pacific Railroad; thence northerly on said westerly right-of-way to the southwesterly right-of-way line of Grand Avenue; thence southeasterly on said southwesterly right-of-way line to the easterly right-of-way line of Natchez Avenue; thence southerly on said easterly right-of-way line to the northerly line of Lot 7 in Block 5 of Grand Heights Subdivision, being a subdivision in the east half of the east half of the northeast quarter of said Section 31, Township 40 North, Range 13 East of the Third Principal Meridian; thence easterly on said northerly line to the westerly line of a

southeasterly on said northeasterly right-of-way line to the easterly right-of-way line of Major Avenue; thence southerly on said easterly right-of-way line to the northerly line of Lot 22, Block 2 in said Central Avenue Subdivision; thence easterly on said northerly line to the easterly right-of-way line of a north/south alley adjoining the easterly line of said Lot 22; thence southerly on said easterly right-of-way line to the northerly right-of-way line of Armitage Avenue; thence easterly on said northerly line of Armitage Avenue to the westerly right-of-way line of Parkside Avenue; thence northerly on said westerly right-of-way line to the northerly line of Lot 22, Block 1, extended westerly, in said Central Avenue Subdivision; thence easterly on said northerly line extended westerly, the northerly line and the northerly line extended easterly to the easterly right-of-way line of a north/south alley in said Block 1; thence southerly on said easterly alley line to said northerly right-of-way line of Armitage Avenue; thence easterly on said northerly right-of-way line to the westerly right-of-way line of Central Avenue; thence northerly on said westerly right-of-way line to the southerly right-of-way line of Fullerton Avenue; thence easterly on said southerly right-of-way line to the easterly right-of-way line of Long Avenue; thence southerly on said easterly line to the northeasterly right-of-way line of Grand Avenue; thence southeasterly along said northeasterly right-of-way line to its intersection with a line that is perpendicular to the north line of the west half of the southeast quarter of said Section 33, said perpendicular line originating from an angle point in the southerly right-of-way line of Grand Avenue, said angle point being 125 feet northwest of the west line of Leclaire Avenue, as measured along said southerly line of Grand Avenue (said west line of Leclaire Avenue being in the southeast quarter of said Section 33); thence south along said perpendicular line to said angle point in the southerly right-of-way line of Grand Avenue; thence southeasterly, along the southwestery right-of-way line of Grand Avenue to the northerly right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence easterly along said northerly right-of-way line to the west right-of-way line of Cicero Avenue; thence south, along said west line to the southerly line of said Chicago, Milwaukee, St. Paul and Pacific Railroad; thence westerly, along said southerly line to the southwestery line of Lot 21 in Block 4 of Lyford and Mann's Addition to Cragin of County Clerks Division of the east three quarters of Section 33, Township 40, Range 13; thence southeasterly on said southwestery line to the northerly extension of the easterly line of Lot 31 in Block 1 of W. W. Marcy's Resubdivision of Block 1 (except that part taken for Grand Avenue) of Block 2, all of Block 3 and Lots 26 through 41 of Block 4; thence southerly on said easterly line to the northerly line of an east/west alley in said Block 1; thence westerly on said northerly line to the northerly extension of the westerly line of a north/south alley in said Block 1; thence southerly on said northerly extension to the southerly line of said east/west alley in said Block 1; thence westerly on said southerly line to the easterly line of Lot 14 in said Block 1 of W. W. Marcy's Resubdivision; thence southerly on said easterly line and the easterly line extended southerly to the southerly right-of-way line of Bloomingdale Avenue; thence westerly on said southerly line to the easterly right-of-way line of North

perpendicularly, east from the west line of the southeast quarter of the northeast quarter aforesaid; thence northwestwardly along the arc of a circle, convex to the northeast and having a radius of 558.69 feet, a distance of 98.06 feet to a point of tangent which is 67.10 feet, measured perpendicularly, east from the west line of the southeast quarter of the northeast quarter aforesaid; thence northwestwardly along a straight line, a distance of 26.85 feet to a point of curve which is 48.24 feet, measured perpendicularly, east from the west line of the southeast quarter of the northeast quarter aforesaid; thence northwestwardly along the arc of a circle, convex to the northeast and having a radius of 558.69 feet, to a point on said west line of the southeast quarter of the northeast quarter; thence north to the southwesterly right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence northwesterly on said southwesterly line to the westerly right-of-way line of Oak Park Avenue; thence northerly on said westerly right-of-way to the point of beginning, all in Cook County, Illinois.

*(Sub)Exhibit "B".*

(To Laborer's Training Center  
Redevelopment Agreement)

*Legal Description Of The Property.*

Permanent Tax Parcel Identification Numbers For The Property:

13-32-400-004-0000;

13-32-400-005-0000;

13-32-400-007-0000;

13-32-400-030-0000;

13-32-400-048-0000;

13-32-400-049-0000;

13-32-400-050-0000;

13-32-400-051-0000;

13-32-400-053-0000;

*(Sub)Exhibit "H-1".*  
(To Laborer's Training Center  
Redevelopment Agreement)

*Project Budget.*

Hard Costs:

|                                    |                |
|------------------------------------|----------------|
| Acquisition                        | \$ 5,335,000   |
| Demolition/Site Preparation        | 100,000        |
| Environmental Remediation          | 200,000        |
| Earthwork/Grading                  | 500,000        |
| Utility Hook-Ups                   | 200,000        |
| Parking Areas/Private Streets      | 900,000        |
| Other Improvement (on/off site)    | 1,150,000      |
| Construction Hard Costs            | 9,850,000      |
| General Contractor Overhead/Profit | <u>450,000</u> |
| Total Hard Costs:                  | \$18,885,000   |

Soft Costs:

|  |                |
|--|----------------|
| Environmental Studies                  | \$ 100,000     |
| Marketing/Leasing Fees and Commissions | 150,000        |
| Construction Period Taxes/Insurance    | 200,000        |
| Financing Fees                         | 400,000        |
| Project Contingency                    | 989,250        |
| Professional/Developer Fees            | <u>600,000</u> |
| Total Soft Costs:                      | \$ 2,439,250   |

TOTAL PROJECT COSTS: \$21,124,250

*(Sub)Exhibit "J".*  
(To Laborer's Training Center  
Redevelopment Agreement)

*Opinion Of Developer's Counsel.*

[To Be Retyped On The Developer's Counsel's Letterhead]

[date]

City of Chicago  
121 North LaSalle Street  
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to The Construction and General Laborers' District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Hartley Trust Fund (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Galewood/Armitage Industrial 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) Laborers' Training Center Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");
- (b) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and
- (c) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined:

- (a) [insert appropriate document names here] the original or certified, conformed

4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized officer of the Developer, and each such Document constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. [revise as needed:] (Sub)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 (Sub)Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

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

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

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

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

10. To the best of our knowledge after diligent inquiry, the Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities,

to that certain Laborers' Training Center Redevelopment Agreement between the Developer and the City of Chicago dated \_\_\_\_\_, \_\_\_\_ (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$\_\_\_\_\_, have been made.

B. This paragraph B sets forth and is a true and complete statement of all costs of T.I.F.-Eligible Improvements for the Project reimbursed by the City to date:

\$\_\_\_\_\_

C. The Developer requests reimbursement for the following cost of T.I.F.-Eligible Improvements:

\$\_\_\_\_\_

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. The Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

2. No event of default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

3. The covenants set forth in Section 8.06 of the Agreement have been observed and continue to be observed and maintained.

All capitalized terms which are not defined herein has the meanings given such terms in the Agreement.

The Construction and General Laborer's District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Hartley Trust Fund

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

Title: \_\_\_\_\_

Tax Increment Allocation Revenue Note (Galewood/Armitage  
Redevelopment Project), Taxable Series 2006.

Registered Owner: The Construction and General Laborer's District Council of Chicago and Vicinity Joint Training and Apprenticeship Fund, a jointly-administered not-for-profit Taft-Harley Trust Fund

Interest Rate: \_\_\_\_\_

Maturity Date: February 1, 2015

Know All Persons By These Presents, That the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of Five Million Three Hundred Thirty-five Thousand Dollars (\$5,335,000) and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the Available Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due February 1 of each year in accordance with Schedule I attached hereto until the earlier of Maturity or until this Note is paid in full. Payments shall first be applied to interest. 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 (15<sup>th</sup>) day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. 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 transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth (15<sup>th</sup>) 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 redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Project and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of Five Million Three Hundred Thirty-five Thousand Dollars (\$5,335,000) shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer of this Note. 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.

Principal Payment Record.

| Date Of Payment | Principal Payment | Principal Balance Due |
|-----------------|-------------------|-----------------------|
| _____           | _____             | _____                 |
| _____           | _____             | _____                 |
| _____           | _____             | _____                 |
| _____           | _____             | _____                 |

Assignment.

For Value Received, The undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Note and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

[Name of Current Registered Owner]

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

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

Date: \_\_\_\_\_, 20\_\_

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

\* \* \* \* \*

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Signature Guaranteed: \_\_\_\_\_

6/28/2006

REPORTS OF COMMITTEES

78705

City of Chicago

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

Authenticated By:

Registrar

[Schedule 1 referred to in this Form of City  
Note unavailable at time of printing.]

*(Sub)Exhibit "N".*  
(To Redevelopment Agreement With  
Laborers' Training Center)

*Public Benefits Program.*

The Developer will contribute \$ \_\_\_\_\_ to \_\_\_\_\_ on the  
Closing Date.

\_\_\_\_\_  
AUTHORIZATION FOR ESTABLISHMENT OF PILOT GREEN ROOF  
IMPROVEMENT FUND PROGRAM TO PROVIDE FINANCING  
ASSISTANCE FOR INSTALLATION OF GREEN ROOFS  
ON COMMERCIAL FACILITIES WITHIN  
CENTRAL LOOP AREA.

The Committee on Finance submitted the following report: