

Contract Summary Sheet

Contract (PO) Number: 23693

Specification Number: 92373

Name of Contractor: BD OF TRUSTEES COMM COLLEGE

City Department: DEPT OF COMMUNITY DEVELOPMENT

Title of Contract: IGA: Acquisition Funding for 4701 - 4717 S. Dr. Martin Luther King Drive

Term of Contract: Start Date: 11/15/2010

End Date: 12/31/2025

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

\$1,800,000.00

Brief Description of Work: IGA: Acquisition Funding for 4701 - 4717 S. Dr. Martin Luther King Drive

Procurement Services Contract Area: COMPTROLLER-OTHER

Vendor Number: SC100108

Submission Date:

FEB 8 2011

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois; and

WHEREAS, The Board of Trustees of Community College District No. 508, County of Cook, State of Illinois (the "District") is a body politic and corporate established pursuant to the provisions of the Illinois Public Community College Act, 110 ILCS 805/1-1 et seq.; and

WHEREAS, pursuant to that certain Agreement for the Sale and Redevelopment of Land dated as of October 21, 1998 and recorded on October 23, 1998 in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") as Document No. 98955759 between the City and Tobacco Road Incorporated, an Illinois not-for-profit corporation (the "Mortgagor"), the City conveyed the real property located at 4701-17 South Dr. Martin Luther King, Jr. Drive, 427 East 47th Street, and 431-33 East 47th Street, Chicago, Illinois 60615 (the "Premises") to the Mortgagor; and

WHEREAS, pursuant to that certain Grant Agreement dated October 23, 1998 (the "Phase I City Grant Agreement"), the City made a grant to the Mortgagor in the amount of \$817,155.98 (the "Phase I City Grant"), which was used by the Mortgagor for the improvement of the Premises with a facility now known as the Harold Washington Cultural Center (the "Project"); and

WHEREAS, the obligation of the Mortgagor to repay all or a portion of the Phase I City Grant to the City under certain circumstances is secured by that certain Mortgage, Security Agreement and Financing Statement dated October 23, 1998 and recorded against the Premises on October 23, 1998 in the Recorder's Office as Document No. 98955761 (the "Phase I City Mortgage");

WHEREAS, the Phase I City Mortgage also secures the obligation of the Mortgagor to repay to the City all or a portion of that certain grant from the City to the Mortgagor in the amount of \$250,000 (the "First City Grant") pursuant to that certain Grant Agreement between the City and the Mortgagor dated as of June 27, 1996, as amended pursuant to that certain First Amendment to Grant Agreement between the City and Mortgagor dated as of October 23, 1998 (as amended, the "First City Grant Agreement"); and

WHEREAS, pursuant to that certain Grant Agreement dated December 20, 1999 (the "Phase II City Grant Agreement"), the City made a grant to the Mortgagor in the amount of \$3,382,844 (the "Phase II City Grant"), which was used by the Mortgagor for the Project; and

WHEREAS, the obligation of the Mortgagor to repay all or a portion of the Phase II City Grant to the City under certain circumstances is secured by that certain Mortgage, Security Agreement and Financing Statement dated December 20, 1999 and recorded against the Premises on December 20, 1999 in the Recorder's Office as Document No. 09181427 (the "Phase II City Mortgage"); and

WHEREAS, the Phase II City Mortgage also secures the obligation of the Mortgagor to repay to the City all or a portion of that certain grant from the City to the Mortgagor in the amount of \$1,000,000 (the "EZ Grant") pursuant to that certain Empowerment Zone Grant Agreement between the City and the Mortgagor dated as of December 20, 1999 (the "EZ Grant Agreement"); and

WHEREAS, pursuant to that certain Phase III Grant Agreement dated December 4, 2002 (the "Phase III City Grant Agreement") (collectively, with the First City Grant Agreement, the Phase I City Grant Agreement, the Phase II City Grant Agreement and the EZ Grant Agreement, the "City Grant Agreement"), the City made a grant to the Mortgagor in the amount of \$3,500,000 (the "Phase III City Grant") (collectively, with the First City Grant, the Phase I City Grant, the Phase II City Grant and the EZ Grant, the "City Grant"), which was used by the Mortgagor for the Project; and

WHEREAS, the obligation of the Mortgagor to repay all or a portion of the Phase III City Grant to the City under certain circumstances is secured by that certain Phase III Mortgage, Security Agreement and Financing Statement dated December 4, 2002 and recorded against the Premises on December 9, 2002 in the Recorder's Office as Document No. 0021353038 (the "Phase III City Mortgage") (collectively, with the Phase I City Mortgage and the Phase II City Mortgage, the "City Mortgage"); and

WHEREAS, the obligation of the Mortgagor to repay all or a portion of the Phase III City Grant to the City under certain circumstances is also secured by that certain U.C.C.-1 financing statement filed on December 17, 2002 in the Office of the Secretary of State of the State of Illinois (the "Phase III U.C.C.-1") (collectively, the City Grant Agreement, the City Mortgage and the Phase III U.C.C.-1 are referred to herein as the "City Grant Documents"); and

WHEREAS, the City Grant Documents were amended in certain respects pursuant to that certain Amendment to City Grant Documents between the City and the Mortgagor dated as of October 6, 2008 and recorded against the Premises in the Recorder's Office on October 17, 2008 as Document No. 0829131071; and

WHEREAS, ShoreBank, an Illinois banking corporation (now known as Urban Partnership Bank) (the "Senior Lender"), made two mortgage loans to the Mortgagor in the principal amounts of \$1,400,000 (the "First Senior Loan") and \$100,000 (the "Second Senior Loan," and together with the First Senior Loan, the "Senior Loans"), the proceeds of which were also used for the Project; and

WHEREAS, to evidence the respective Senior Loans, the Mortgagor executed two promissory notes in favor of the Senior Lender, both dated as of March 19, 2004 (the "Senior Loans Closing Date"), in the respective principal amounts of the First Senior Loan (the "First Senior Note," as modified by that certain Change in Terms Agreement between the Senior Lender and the Mortgagor dated as of June 19, 2007) and the Second Senior Loan (the "Second Senior Note"); and

WHEREAS, to secure repayment of the respective Senior Loans, the Mortgagor executed the following documents in favor of the Senior Lender: (1) two Mortgages, both dated as of the Senior Loans Closing Date and recorded against the Premises in the Recorder's Office on March 22, 2004 (the "Senior Loans Recording Date") respectively as Document Nos. 0408235243 (the "First Senior Mortgage") and 0408235245 (the "Second Senior Mortgage," and together with the First Senior Mortgage, the "Senior Mortgages"); and (2) two Assignments of Rents, both dated as of the Senior Loans Closing Date and recorded against the Premises in the Recorder's Office on the Senior Loans Recording Date respectively as Document Nos. 0408235244 (the "First Senior Assignment") and 0408235246 (the "Second Senior Assignment") (the First Senior Note, the First Senior Mortgage, the First Senior Assignment, and any other documents evidencing or securing the First Senior Loan evidenced by the First Senior Note are collectively referred to herein as the "First Senior Loan Documents"); and

WHEREAS, the City, the Senior Lender and the Mortgagor entered into that certain Subordination Agreement dated as of the Senior Loans Closing Date recorded against the Premises in the Recorder's Office on the Senior Loans Recording Date as Document No. 0408235249, whereby, among other things, the City subordinated the City Mortgage to the Senior Mortgages; and

WHEREAS, the Mortgagor repaid the Second Senior Loan and the Senior Lender therefore: (1) canceled the Second Senior Note; and (2) released the Second Senior Mortgage and the Second Senior Assignment by means of that certain Release of Mortgage and Assignment of Rents by Corporation dated as of March 3, 2009 and recorded against the Premises in the Recorder's Office on May 8, 2009 as Document No. 0912846075; and

WHEREAS, on April 29, 2009, the Senior Lender declared the Mortgagor in default under the First Senior Loan Documents for, among other things, failing to pay the First Senior Note; and

WHEREAS, on July 23, 2009, the City declared the Mortgagor in default under the City Grant Documents for, among other things, failing to pay the First Senior Note; and

WHEREAS, the Mortgagor failed to cure the respective declared defaults under each of the First Senior Loan Documents and the City Grant Documents, as such cure is provided for in each such documents, respectively; and

WHEREAS, on August 26, 2009 (the "Foreclosure Date"), the Senior Lender filed for foreclosure against the Premises pursuant to the First Senior Mortgage in the Circuit Court of Cook County, Illinois, County Department, Chancery Division in Case Number 09CH30356, Shorebank vs. Tobacco Road Incorporated et al (the "Foreclosure"); and

WHEREAS, the District desires to acquire the Premises so as to utilize the Premises as an integral part of the City College system and operate and manage the Premises as an educational, entertainment and cultural venue for the benefit of the students of the City College system and the citizens of the City; and

WHEREAS, the Senior Lender desires to sell and assign or has sold and assigned to the District, and the District desires to purchase and assume or has purchased and assumed from the Senior Lender, all of the Senior Lender's (1) right, title and interest in and to the First Senior Loan Documents and (2) place and position with respect to the Foreclosure (items 1 and 2, collectively, the "Senior Lender Items") so that the District may acquire the Premises; and

WHEREAS, as a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, 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; and

WHEREAS, 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; and

WHEREAS, to induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on March 27, 2002, published at pages 81231 through 81472 of the Journal of Proceedings of the City Council of the City for said date: (1) approving a redevelopment plan (the "Plan") for the 47th and King Drive Redevelopment Project Area (the "Area"); (2) designating the Area as a Redevelopment Project Area pursuant to the Act; and (3) adopting tax increment allocation financing for the Area (the "TIF Adoption Ordinance"); and

WHEREAS, the Premises are located within the Area; and

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

WHEREAS, redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act include, in subsection (2), among other things, "property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein;" and

WHEREAS, the budget set forth in the Plan as Table 1 thereof includes property assembly as a Redevelopment Project Cost ;and

WHEREAS, "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 special tax allocation fund for the Area established to pay Redevelopment Project Costs and obligations incurred in the payment thereof; and

WHEREAS, the City desires to grant Incremental Taxes in an amount not to exceed \$1,800,000 ("City Funds") to the District to purchase or reimburse the District for the purchase of the Senior Lender Items from the Senior Lender so that the District may acquire the Premises; and

WHEREAS, the City desires to transfer and assign or has transferred and assigned to the District, and the District desires to assume or has assumed from the City, all of the City's (1) right, title and interest in and to certain of the City Grant Documents; and (2) place and position with respect to the Foreclosure (items 1 and 2, collectively, the "City Items") so that the District may acquire the Premises; and

WHEREAS, the City and the District wish to enter into an intergovernmental agreement whereby the City shall grant the City Funds to the District to purchase or reimburse the District for the purchase of the Senior Lender Items from the Senior Lender so that the District may acquire the Premises; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are incorporated herein by this reference.

SECTION 2. The Commissioner of the Department of Community Development is authorized to execute and deliver an intergovernmental agreement (the "Agreement"), in substantially the form attached as Exhibit 1, and such other documents as are necessary, between the City and the District, which Agreement may contain such other terms as are deemed necessary

or appropriate by the parties executing the same on the part of the City.

SECTION 3. The transfer and assignment of the City Items to the District is hereby approved.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This Ordinance takes effect upon passage and approval.

Document No. P02010-5247

REFERRED TO COMMITTEE ON
FINANCE
SEP - 8 2010
<i>William P. Daley</i> CITY CLERK CITY OF CHICAGO

APPROVED
Thomas J. Hayes
CORPORATION COUNSEL

APPROVED
Richard M. Daley
Mayor
11-5-10

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF CHICAGO, BY AND THROUGH
ITS DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT,
AND THE BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508,
COUNTY OF COOK, STATE OF ILLINOIS,
REGARDING HAROLD WASHINGTON CULTURAL CENTER**

24th This Intergovernmental Agreement (this "Agreement") is made and entered into as of the day of January, 2011 by and between the City of Chicago (the "City"), a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, by and through its Department of Housing and Economic Development (the "Department"), and The Board of Trustees of Community College District No. 508, County of Cook, State of Illinois (the "District"), a body politic and corporate established pursuant to the provisions of the Illinois Public Community College Act, 110 ILCS 805/1-1 et seq.

RECITALS

A. Pursuant to that certain Agreement for the Sale and Redevelopment of Land dated as of October 21, 1998 and recorded on October 23, 1998 in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") as Document No. 98955759 between the City and Tobacco Road Incorporated, an Illinois not-for-profit corporation (the "Mortgagor"), the City conveyed the real property located at 4701-17 South Dr. Martin Luther King, Jr. Drive, 427 East 47th Street, and 431-33 East 47th Street, Chicago, Illinois 60615 (the "Premises") to the Mortgagor.

B. (i) Pursuant to that certain Grant Agreement dated October 23, 1998 (the "Phase I City Grant Agreement"), the City made a grant to the Mortgagor in the amount of \$817,155.98 (the "Phase I City Grant"), which was used by the Mortgagor for the improvement of the Premises with a facility now known as the Harold Washington Cultural Center (the "Project"). The obligation of the Mortgagor to repay all or a portion of the Phase I City Grant to the City under certain circumstances is secured by that certain Mortgage, Security Agreement and Financing Statement dated October 23, 1998 and recorded against the Premises on October 23, 1998 in the Recorder's Office as Document No. 98955761 (the "Phase I City Mortgage"). The Phase I City Mortgage also secures the obligation of the Mortgagor to repay to the City all or a portion of that certain grant from the City to the Mortgagor in the amount of \$250,000 (the "First City Grant") pursuant to that certain Grant Agreement between the City and the Mortgagor dated as of June 27, 1996, as amended pursuant to that certain First Amendment to Grant Agreement between the City and Mortgagor dated as of October 23, 1998 (as amended, the "First City Grant Agreement"). (ii) Pursuant to that certain Grant Agreement dated December 20, 1999 (the "Phase II City Grant Agreement"), the City made a grant to the Mortgagor in the amount of \$3,382,844 (the "Phase II City Grant"), which was used by the Mortgagor for the Project. The obligation of the Mortgagor to repay all or a portion of the Phase II City Grant to the City under certain circumstances is secured by that certain Mortgage, Security Agreement and Financing Statement dated December 20, 1999 and recorded against the Premises on December 20, 1999 in the Recorder's Office as Document No. 09181427 (the "Phase II City Mortgage"). The Phase II City Mortgage also secures the obligation of the Mortgagor to repay to the City all or a portion of that certain grant from the City to the Mortgagor in the amount of \$1,000,000 (the "EZ Grant") pursuant to that certain Empowerment Zone Grant Agreement between the City and the Mortgagor dated as of December 20, 1999 (the "EZ Grant Agreement"). (iii) Pursuant to that certain Phase III Grant Agreement dated December 4, 2002 (the "Phase III City Grant Agreement") (collectively, with the First City Grant Agreement, the Phase I City Grant Agreement, the Phase II City Grant Agreement and the EZ Grant Agreement, the "City Grant Agreement"), the City made a

grant to the Mortgagor in the amount of \$3,500,000 (the "Phase III City Grant") (collectively, with the First City Grant, the Phase I City Grant, the Phase II City Grant and the EZ Grant, the "City Grant"), which was used by the Mortgagor for the Project. The obligation of the Mortgagor to repay all or a portion of the Phase III City Grant to the City under certain circumstances is secured by that certain Phase III Mortgage, Security Agreement and Financing Statement dated December 4, 2002 and recorded against the Premises on December 9, 2002 in the Recorder's Office as Document No. 0021353038 (the "Phase III City Mortgage") (collectively, with the Phase I City Mortgage and the Phase II City Mortgage, the "City Mortgage"). The obligation of the Mortgagor to repay all or a portion of the Phase III City Grant to the City under certain circumstances is also secured by that certain U.C.C.-1 financing statement filed on December 17, 2002 in the Office of the Secretary of State of the State of Illinois (the "Phase III U.C.C.-1"). Collectively, the City Grant Agreement, the City Mortgage and the Phase III U.C.C.-1 are referred to herein as the "City Grant Documents." The City Grant Documents were amended in certain respects pursuant to that certain Amendment to City Grant Documents between the City and the Mortgagor dated as of October 6, 2008 and recorded against the Premises in the Recorder's Office on October 17, 2008 as Document No. 0829131071.

C. ShoreBank, an Illinois banking corporation (the "Senior Lender"), made two mortgage loans to the Mortgagor in the principal amounts of \$1,400,000 (the "First Senior Loan") and \$100,000 (the "Second Senior Loan," and together with the First Senior Loan, the "Senior Loans"), the proceeds of which were also used for the Project. To evidence the respective Senior Loans, the Mortgagor executed two promissory notes in favor of the Senior Lender, both dated as of March 19, 2004 (the "Senior Loans Closing Date"), in the respective principal amounts of the First Senior Loan (the "First Senior Note," as modified by that certain Change in Terms Agreement between the Senior Lender and the Mortgagor dated as of June 19, 2007) and the Second Senior Loan (the "Second Senior Note"). To secure repayment of the respective Senior Loans, the Mortgagor executed the following documents in favor of the Senior Lender: (1) two Mortgages, both dated as of the Senior Loans Closing Date and recorded against the Premises in the Recorder's Office on March 22, 2004 (the "Senior Loans Recording Date") respectively as Document Nos. 0408235243 (the "First Senior Mortgage") and 0408235245 (the "Second Senior Mortgage," and together with the First Senior Mortgage, the "Senior Mortgages"); and (2) two Assignments of Rents, both dated as of the Senior Loans Closing Date and recorded against the Premises in the Recorder's Office on the Senior Loans Recording Date respectively as Document Nos. 0408235244 (the "First Senior Assignment") and 0408235246 (the "Second Senior Assignment"). The First Senior Note, the First Senior Mortgage, the First Senior Assignment, and any other documents evidencing or securing the First Senior Loan evidenced by the First Senior Note are collectively referred to herein as the "First Senior Loan Documents."

D. The City, the Senior Lender and the Mortgagor entered into that certain Subordination Agreement dated as of the Senior Loans Closing Date recorded against the Premises in the Recorder's Office on the Senior Loans Recording Date as Document No. 0408235249, whereby, among other things, the City subordinated the City Mortgage to the Senior Mortgages.

E. The Mortgagor repaid the Second Senior Loan and the Senior Lender therefore: (1) canceled the Second Senior Note; and (2) released the Second Senior Mortgage and the Second Senior Assignment by means of that certain Release of Mortgage and Assignment of Rents by Corporation dated as of March 3, 2009 and recorded against the Premises in the Recorder's Office on May 8, 2009 as Document No. 0912846075.

F. On April 29, 2009, the Senior Lender declared the Mortgagor in default under the First Senior Loan Documents for, among other things, failing to pay the First Senior Note. On July 23, 2009, the

City declared the Mortgagor in default under the City Grant Documents for, among other things, failing to pay the First Senior Note. The Mortgagor failed to cure the respective declared defaults under each of the First Senior Loan Documents and the City Grant Documents, as such cure is provided for in each such documents, respectively. On August 26, 2009 (the "Foreclosure Date"), the Senior Lender filed for foreclosure against the Premises pursuant to the First Senior Mortgage in the Circuit Court of Cook County, Illinois, County Department, Chancery Division in Case Number 09CH30356, Shorebank vs. Tobacco Road Incorporated et al (the "Foreclosure").

G. Urban Partnership Bank ("UPB"), an Illinois banking corporation, is the successor in interest to certain of the interests of the Federal Deposit Insurance Corporation ("FDIC") as receiver of ShoreBank. Such interests of the FDIC as receiver of ShoreBank to which UPB is the successor in interest include the First Senior Loan Documents. All subsequent references herein to the Senior Lender therefore shall mean UPB.

H. The District desires to acquire the Premises so as to utilize the Premises as an integral part of the City College system and operate and manage the Premises as an educational, entertainment and cultural venue for the benefit of the students of the City College system and the citizens of the City.

I. The Senior Lender desires to sell and assign to the District, and the District desires to purchase and assume from the Senior Lender, all of the Senior Lender's (1) right, title and interest in and to the First Senior Loan Documents and (2) place and position with respect to the Foreclosure (items 1 and 2, collectively, the "Senior Lender Items") so that the District may acquire the Premises.

J. 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.

K. 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.

L. To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on March 27, 2002, published at pages 81231 through 81472 of the Journal of Proceedings of the City Council of the City for said date: (1) approving a redevelopment plan (the "Plan") for the 47th and King Drive Redevelopment Project Area (the "Area"); (2) designating the Area as a Redevelopment Project Area pursuant to the Act; and (3) adopting tax increment allocation financing for the Area (the "TIF Adoption Ordinance"). The Premises are located within the Area.

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

N. Redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act include, in subsection (2), among other things, "property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein"

O. The budget set forth in the Plan as Table 1 thereof includes property assembly as a Redevelopment Project Cost.

P. For purposes of this Agreement, "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 special tax allocation fund for the Area established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

Q. The City has simultaneously herewith transferred and assigned to the District, and the District has simultaneously herewith assumed from the City, all of the City's (1) right, title and interest in and to certain of the City Grant Documents; and (2) place and position with respect to the Foreclosure (items 1 and 2, collectively, the "City Items") so that the District may acquire the Premises.

R. The City desires to grant Incremental Taxes in the amount of \$1,468,172.19 ("City Funds") to the District to purchase the Senior Lender Items from the Senior Lender so that the District may acquire the Premises. The City Funds shall also pay the closing costs for the transfer of the Senior Lender Items and the City Items, including but not limited to recording the assignments of the Senior Lender Items and the City Items and obtaining a date-down endorsement to the Senior Lender's title insurance policy for the First Senior Mortgage insuring the District.

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:

Article One: Incorporation of Recitals

The recitals set forth above are incorporated herein by reference and made a part hereof.

Article Two: The Premises

In the event that the District becomes the owner of the Premises the District will utilize the Premises as an integral part of the City College system and will operate and manage the Premises as an educational, entertainment and cultural venue for the benefit of the students of the City College system and the citizens of the City.

Article Three: Funding of Purchase of Senior Lender Items

1. The District has heretofore provided the City with copies of all agreements and other written instruments between, by, to or from the District and the Senior Lender regarding the purchase and assumption of the Senior Lender Items by the District, including evidence of the purchase price paid and the calculation thereof in detail. The District hereby certifies to the City that: (a) all such copies are complete, true and accurate; (b) all such agreements and other written instruments reflected therein remain in effect in accordance with their respective terms; and (c) the purchase price of the Senior Lender Items was negotiated between the District and the Senior Lender at arms-length. In consideration of the foregoing, the City has simultaneously herewith disbursed the City Funds to Chicago Title and Trust Company (as escrowee for the District's purchase of the Senior Lender Items) on the District's behalf.

2. If after the date hereof for any reason the District is not permitted to assume the City's place and position with respect to the Foreclosure, the District will promptly convey both (a) the City Mortgage and (b) either the First Senior Mortgage or the City Funds to the City.

Article Four: Term

The Term of the Agreement shall commence on the date of its execution and shall expire on the date on which the Area is no longer in effect (through and including December 31, 2025).

Article Five: Indemnity; Default

1. (a) The District agrees to indemnify, defend and hold the City, its officers, officials, members, employees and agents harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with the District's failure to comply with any of the terms, covenants and conditions contained within this Agreement.

(b) The City agrees to indemnify, defend and hold the District, its officers, officials, members, employees and agents harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the District arising from or in connection with: (i) the City's failure to comply with any of the terms, covenants and conditions contained within this Agreement; and (ii) the City Grant or the funding sources therefor and specifically the agreement of the District to accept an assignment of certain of the City Grant Documents pursuant to that certain Grant Assignment Agreement between the City and the District dated contemporaneously herewith.

2. The failure of the District to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the District under this Agreement or any other agreement directly related to this Agreement shall constitute an "Event of Default" by the District hereunder. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreement directly related to this Agreement, and may suspend disbursement of the City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

In the event the District shall fail to perform a covenant which the District 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 District 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 defaults which are not capable of being cured within such thirty (30) day period, the District 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.

3. The failure of the City to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the City under this Agreement or any other agreement directly related to this Agreement shall constitute an "Event of Default" by the City hereunder. Upon the occurrence of an Event of Default, the District may terminate this Agreement and any other agreement directly related to this Agreement. The District may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure injunctive relief or the specific performance of the agreements contained herein.

In the event the City shall fail to perform a covenant which the City 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 City has failed to cure such default within thirty (30) days of its receipt of a written notice from the District specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such thirty (30) day period, the City 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.

Article Six: Consent

Whenever the consent or approval of one or both parties to this Agreement is required hereunder, such consent or approval shall not be unreasonably withheld.

Article Seven: Notice

Notice to District shall be addressed to:

Vice Chancellor of Finance
The City Colleges of Chicago
Office of Finance
226 West Jackson Boulevard, Suite 1127
Chicago, Illinois 60606-6998
Fax:

and

General Counsel
The City Colleges of Chicago
Office of the General Counsel
226 West Jackson Boulevard, 14th Floor
Chicago, Illinois 60606-6998
Fax:

Notice to the City shall be addressed to:

Commissioner
City of Chicago
Department of Housing and Economic Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Fax: 312-744-2271

and

Corporation Counsel
Attention: Finance and Economic Development Division
City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Fax: 312-744-8538

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

Such addresses may be changed when notice is given to the other party in the same manner as 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 by electronic means. 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, if sent pursuant to subsection (d) shall be deemed received two (2) days following deposit in the mail.

Article Eight: Assignment; Binding Effect

This Agreement, or any portion thereof, shall not be assigned by either party without the prior written consent of the other.

This Agreement shall inure to the benefit of and shall be binding upon the City, the District and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the parties hereto and such successors and permitted assigns.

Article Nine: Modification

This Agreement may not be altered, modified or amended except by written instrument signed by all of the parties hereto.

Article Ten: Compliance with Laws

The parties hereto shall comply with all federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

Article Eleven: Governing Law and Severability

This Agreement shall be governed by the laws of the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

Article Twelve: Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original.

Article Thirteen: Entire Agreement

This Agreement constitutes the entire agreement between the parties.

Article Fourteen: Authority

Execution of this Agreement by the City is authorized by an ordinance passed by the City Council of the City on November 3, 2010. Execution of this Agreement by the District is authorized by a resolution approved by the Board of Trustees of the District on September 8, 2010. The parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder.

Article Fifteen: Headings

The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

Article Sixteen: Disclaimer of Relationship

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

Article Seventeen: Construction of Words

The use of the singular form of any word herein shall also include the plural, and vice versa. The use of the neuter form of any word herein shall also include the masculine and feminine forms, the masculine form shall include feminine and neuter, and the feminine form shall include masculine and neuter.

Article Eighteen: No Personal Liability

No officer, member, official, employee or agent of the City or the District shall be individually or personally liable in connection with this Agreement.

Article Nineteen: Representatives

Immediately upon execution of this Agreement, the following individuals will represent the parties as a primary contact in all matters under this Agreement.

For the District: Kenneth C. Gotsch
Vice Chancellor of Finance
The City Colleges of Chicago
Office of Finance
226 West Jackson Boulevard, Suite 1127
Chicago, Illinois 60606-6998
Phone: 312-553-3330
Fax: 312-553-2785
Email: kgotsch@ccc.edu

For the City: Bill Eager
Deputy Commissioner
City of Chicago, Department of Housing and Economic Development
121 North LaSalle Street, Room 1006
Chicago, Illinois 60602
Phone: 312-742-0629
Fax: 312-744-2271
Email: beager@cityofchicago.org

Each party agrees to promptly notify the other party of any change in its designated representative, which notice shall include the name, address, telephone number and fax number of the representative for such party for the purpose hereof.

Article Twenty: Inspector General

1. For the purpose of this Agreement it shall be the duty of every District employee, contractor, and/or subcontractor to cooperate with the City's inspector general (the "City Inspector General") in any investigation conducted pursuant to the City Inspector General's authority. No person shall retaliate against, punish or penalize any other person for complaining to or cooperating with or assisting the City Inspector General in the performance of the City Inspector General's office.

2. For the purpose of this Agreement it shall be the duty of every City employee, contractor, and/or subcontractor to cooperate with the District's inspector general (the "District Inspector General") in any investigation conducted pursuant to the District Inspector General's authority. No person shall retaliate against, punish or penalize any other person for complaining to or cooperating with or assisting the District Inspector General in the performance of the District Inspector General's office.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered as of the date first above written.

CITY OF CHICAGO, ILLINOIS, by and through the
Department of Housing and Economic Development

By: 
Acting Commissioner
Department of Housing and Economic Development

THE BOARD OF TRUSTEES
OF COMMUNITY COLLEGE DISTRICT NO. 508

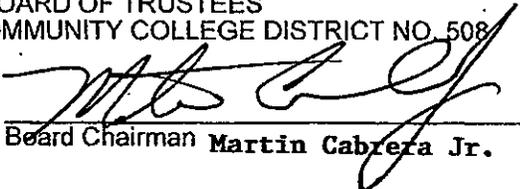
By: _____
Board Chairman

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered as of the date first above written.

CITY OF CHICAGO, ILLINOIS, by and through the
Department of Housing and Economic Development

By: _____
Acting Commissioner
Department of Housing and Economic Development

THE BOARD OF TRUSTEES
OF COMMUNITY COLLEGE DISTRICT NO. 508

By:  _____
Board Chairman **Martin Cabrera Jr.**