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**LASALLE CENTRAL REDEVELOPMENT PROJECT AREA**

**UNITED AIR LINES REDEVELOPMENT AGREEMENT**

BY AND BETWEEN

THE CITY OF CHICAGO

AND

UAL CORPORATION

AND

UNITED AIR LINES, INC.

This agreement was prepared by  
and after recording return to:  
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**PIN: 17-16-216-009**

*77CS 413055 c/w 1 of 3*

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Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C-1	*TIF-Funded Improvements, Version A
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Exhibit D	Redevelopment Plan
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Exhibit O	*Form of City Note
Exhibit P	Survey

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

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

## **UNITED AIR LINES REDEVELOPMENT AGREEMENT**

This United Air Lines Redevelopment Agreement (this "**Agreement**") is made as of this 19<sup>th</sup> day of November, 2009, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Community Development ("**DCD**"), and UAL Corporation, a Delaware corporation ("**UAL**") and United Air Lines, Inc., a Delaware corporation ("**United**", together with UAL, collectively, 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 "**City Council**") adopted the following ordinances on November 15, 2006, and amended and corrected the ordinances on February 7, 2007, and May 9, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the LaSalle Central Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the LaSalle Central 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 LaSalle Central Redevelopment Project Area" (the "**TIF Adoption Ordinance**") (items(1)-(3) collectively referred to herein as the "**TIF Ordinances**"). The redevelopment project area referred to above (the "**Redevelopment Area**") is legally described in **Exhibit A** hereto.

**D. The Project:** The Developer presently maintains its operational center headquarters in Elk Grove Village, Illinois. The Developer intends to relocate its operational center headquarters to the real property located within the Redevelopment Area and commonly known as 233 South Wacker Drive, Chicago, Illinois and legally described on **Exhibit B** hereto (the "**Property**"). In connection with such relocation, the Developer has executed that certain Lease dated October 30, 2009, by and between 233 S. Wacker LLC, as landlord, and the Developer, as tenant (as amended from time to time, the "**Lease**"), pursuant to which the Developer shall, among other matters, lease at least 400,000 rentable square feet of office space as well as lobby space (collectively, the "**United Space**") of the building located on the Property (the "**Building**") for an initial period of no less than fifteen (15) years with two renewal options for periods of either five (5) or ten (10) years, at Developer's option.

Upon completion of Phase II (as hereinafter defined) and during the Compliance Period (as hereinafter defined), the portion of the Building leased and occupied by the Developer will be the principal office of the Developer's operational center headquarters (the "**Operational Headquarters**"). In connection with its occupancy of the Building, the Developer shall construct substantial tenant improvements necessary to permit the Developer to take possession in accordance with the terms of the Lease. The Developer will build out and take occupancy of the United Space in two phases, as described below. Such relocation will create a substantial public benefit through its creation of approximately 2,500 FTEs (as hereinafter defined). The construction of tenant improvements in the United Space (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibits C-1 for Version A, and C-2 for Version B**), including Phase I and Phase II, is referred to herein as the "**Rehabilitation Project.**" The Rehabilitation Project and the use of the United Space as the Developer's Operational Headquarters are collectively referred to herein as the "**Project.**"

The Developer may select from two alternative versions of the Project. Version A of the Project ("**Version A**") consists of the build out and occupancy of no less than 450,000 square feet of the Building and allows the Developer, pursuant to the Lease, to exercise a contraction right to reduce occupancy to 400,000 square feet of the United Space. Version B of the Project ("**Version B**") consists of the build out and occupancy of no less than 400,000 square feet of the Building with no contraction right. Both Versions of the Project contemplate completion in two phases. The first phase of the Project ("**Phase I**") will include the build out and occupancy of approximately 200,000 square feet of the Building and will involve the relocation to the United Space of at least 1,000 employees. The second phase of the Project ("**Phase II**") will include the build out and occupancy of the remaining space (250,000 square feet for Version A or 200,000 square feet for Version B) and will involve the relocation to the United Space of additional employees for a combined total of no

fewer than 2,500 employees. 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 LaSalle Central Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "**Redevelopment Plan**") attached hereto as **Exhibit D**.

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

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 mean persons domiciled within the City.

**"Affiliate"** shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer or an Approved Successor.

**"Annual Compliance Report"** shall mean a signed report from the Developer to the City (a) itemizing each of the Developer's obligations under the Agreement during the preceding calendar year, (b) certifying the Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (**Section 8.06**), (2) compliance with the Jobs Covenant (**Section 8.06**), (3) delivery of employment progress reports and, if applicable, employment profile (**Sections 8.07** and **8.08**), (4) delivery of Financial Statements and unaudited financial statements (**Section 8.13**), (5) delivery of updated insurance certificates, if applicable (**Section 8.14**), (6) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.15**), (7) delivery of evidence that LEED Certification has been obtained (**Section 8.24**), (8) delivery of the Notice of Proposed Successor and the Assumption Agreement (and deliveries required thereunder), if applicable (**Section 8.26**) and (9) compliance with all other executory provisions of the Agreement.

**“Annual Payments”** shall have the meaning set forth for such term in **Section 4.03** hereof.

**“Approved Successor”** shall have the meaning given such term in **Section 8.26** hereof.

**“Assumption Agreement”** shall mean the Assumption Agreement in the form attached as Schedule 2 to **Exhibit L**.

**“Available Incremental Taxes”** shall mean, for each payment, an amount equal to the Incremental Taxes on deposit in the LaSalle Central Redevelopment Project Area TIF Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which are available for the financing or payment of Redevelopment Project Costs, after deducting (i) the 10.0% City Fee, (ii) all Incremental Taxes from a New Project pledged or allocated to assist the New Project, (iii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement, specifically Incremental Taxes allocated or pledged to Navteq Corporation, The Ziegler Companies, Inc., MillerCoors LLC, and/or any of their respective its Affiliates, provided however that if this Agreement is not executed prior to six months from the effective date of the Enabling Ordinance, the City may deduct the Incremental Taxes pledged or allocated to any additional projects, and (iv) debt service payments with respect to the Bonds, if any, provided that such debt service payments shall not prevent the City from paying the full amount of any of the Phase I Payment, the Phase II Payment or the Annual Payments as and when contemplated by this Agreement.

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

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

**“Certificate of Expenditure”** shall mean any Certificate of Expenditure referenced in the City Note pursuant to which the principal amount of the City Note shall be established.

**“Change Order”** shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in **Section 3.02**, **Section 3.03** and **Section 3.04**, respectively.

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

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

**“City Fee”** shall mean the fee described in **Section 4.05(c)** hereof

**“City Funds”** shall mean the funds paid to the Developer pursuant to the Phase I Payment and Phase II Payment and, with respect to the City Note, the funds paid to the Developer pursuant to the City Note.

**“City Note”** shall mean the City of Chicago Tax Increment Allocation Revenue Note (United Airlines Redevelopment Project), Taxable Series A, to be in the form attached hereto as **Exhibit O**, in the maximum principal amount as set forth in **Section 4.03(b)**. The City Note shall bear interest at the Interest Rate and shall not provide for accrued, but unpaid, interest to bear interest at the same annual rate.

**“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.

**“Compliance Period”** shall mean the longer of (1) if the Developer does not deliver an Extension Notice (defined below), a period beginning on the date the Phase II Certificate is issued and ending on the 10th anniversary of the date the Phase II Certificate is issued, and (2) if the Developer delivers an Extension Notice and cures the applicable Event of Default during the one-year period in which the Extension Notice was delivered, a period beginning on the date the Phase II Certificate is issued and ending on the 11<sup>th</sup> anniversary of the date the Phase II Certificate is issued.

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

**“Corporate Headquarters”** shall mean the Developer’s Corporate Headquarters located at 77 West Wacker Drive, Chicago, Illinois.

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

**“Deficiency Letter”** shall have the meaning given such term in **Section 7.01** hereof.

**“Eligible Job Training Costs”** shall mean costs incurred for training FTEs, whether or not the training occurs at the Property, so long as such costs are eligible reimbursable expenses under the Act.

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

**“Enabling Ordinance”** shall mean that certain Ordinance passed by City Council on October 7, 2009, and approved and signed by the Mayor of the City on October 16, 2009.

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

**“Equity”** shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Rehabilitation Project, in the amount set forth in **Section 4.01** hereof, which amount may be increased pursuant to **Section 4.06** (Cost Overruns) and **Section 4.03**.

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

**“Extension Notice”** shall have the meaning set forth in **Section 8.06** hereof.

**“External Employees”** shall mean an employee of the Developer or an Affiliate who, subsequent to the execution of this Agreement, was employed in a permanent position at a location other than the United Space, the Corporate Headquarters, or another location within the City of Chicago, and who works at least 35 hours per week, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by the Developer or by third parties in positions ancillary to the Developer’s operations, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

**“Final Project Cost”** shall mean the sum of the Phase I Project Cost and the Phase II Project Cost as defined in **Section 7.01** hereof.

**“Financial Statements”** shall mean Developer’s Form 10-K Annual Reports as most recently filed with the United States Securities and Exchange Commission, which annual reports shall be based on audited financial statements of the Developer prepared by a certified public accountant in accordance with generally accepted accounting principles.

**“First Anniversary”** shall mean the one-year anniversary of the date the Phase II Certificate is issued.

**“Full-Time Equivalent Employee”** or **“FTE”** shall mean an employee of the Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent operational center headquarters position at least 35 hours per week at the Building during the applicable month, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by the Developer or by third parties in positions ancillary to the Developer’s operations at the Building including, without limitation, food service workers, security guards, cleaning personnel, or similar positions; provided, however, that no more than five percent (5%) of the FTEs may consist of job shares or similar work arrangements.

**“General Contractor”** shall mean the general contractor(s) selected and hired by the Developer pursuant to **Section 6.01**.

**“Grant Agreement”** shall mean the Grant Agreement dated as of November 19, 2009, by and between the City and the Developer.

**“Guaranty”** shall mean the Guaranty dated of the date hereof made by UAL in favor of the City in the form attached as **Exhibit F**.

**“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 LaSalle Central TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

**“Incremental Taxes From a New Project”** shall mean (a) individually, Incremental Taxes attributable to the equalized assessed value (“**EAV**”) of the parcel(s) comprising a New Project over and above the initial EAV of such affected parcel(s) as certified by the Cook County Clerk in the certified initial EAV of all tax parcels in the Redevelopment Area and (b) collectively, the sum of Incremental Taxes From a New Project for all New Projects, if there are multiple New Projects.

**“Indemnitees”** shall have the meaning set forth in **Section 13.01** hereof.

**“Interest Rate”** shall mean the rate equal to 350 basis points above the observed mean value for the prevailing interest rates for the 10-year United States Treasury constant maturity as published in the daily Federal Reserve Statistical Release for the 15 consecutive Business Days before the City Note is issued; provided, however, that the Interest Rate shall not exceed 8.0% per annum and shall not be less than 7.0% per annum.

**“Interior Build-out”** shall mean the completion of all rehabilitation activities for the Rehabilitation Project, Phase I or Phase II, as applicable, associated with the line items in the Project Budget that appear under the “Hard Costs” heading, including without limitation cabling infrastructure, security equipment, audiovisual and signage.

**“Jobs and Occupancy Certificate”** shall mean the Jobs and Occupancy Certificate attached hereto as **Exhibit N**.

**“Jobs Covenant”** shall have the meaning set forth in **Section 8.06** hereof.

**“Landlord”** shall mean 233 S. Wacker, LLC. and its successors.

**“LaSalle Central TIF Fund”** shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

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

**“LEED Certification”** shall mean a basic Certification of the Rehabilitation Project under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System maintained by the U.S. Green Building Council and applicable to commercial interiors.

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

**“Material Amendment”** shall mean an amendment (other than as described in the last sentence of this paragraph) of the Lease the net effect of which is to directly or indirectly do any of the following: (a) materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or other monetary amounts payable (or monetary credits) under the Lease, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under the Lease of the amendment; and (b) shorten the initial 15-year term of the Lease or grant additional early termination rights that, if exercised, would shorten the initial 15-year term of the

Lease. Reductions or expansions of space pursuant to the express expansion or contraction rights granted in the Lease in effect as of the date hereof shall not constitute Material Amendments.

**“MBE(s)”** shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's 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 (a) with respect to Version A, the budget attached hereto as **Exhibit H-2A**, and (b) with respect to Version B, the budget attached hereto as **Exhibit H-2B**, in each case as described in **Section 10.03**.

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

**“New Project”** shall mean a development project (a) for which the related redevelopment agreement is recorded on or after the date of this Agreement and (b) which will receive assistance in the form of Incremental Taxes; provided, however, that “New Project” shall not include any development project that is or will be exempt from the payment of ad valorem property taxes.

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

**“Operating Covenant”** shall have the meaning set forth in **Section 8.06** hereof.

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

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

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

**“Phase”** shall mean, depending on the context, Phase I or Phase II.

**“Phase I”** shall have the meaning set forth in **Recital D**.

**“Phase II”** shall have the meaning set forth in **Recital D**.

**“Phase I Certificate”** shall have the meaning set forth in **Section 7.01** hereof.

**“Phase II Certificate”** shall have the meaning set forth in **Section 7.01** hereof.

**“Phase I Payment”** shall have the meaning set forth in **Section 4.03(a)** hereof.

**“Phase II Payment”** shall have the meaning set forth in **Section 4.03(a)** hereof.

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

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

**"Project"** shall have the meaning set forth in the Recitals hereof; provided, however, that prior to the date the City approves the Project Version Notice, the term shall mean both Version A and Version B, and on and after the date, if any, that the City approves the Project Version Notice, the term shall mean the version specified in the approved Project Version Notice.

**"Project Budget"** shall mean (a) with respect to Version A, the budget attached hereto as **Exhibit H-1A**, and (b) with respect to Version B, the budget attached hereto as **Exhibit H-1B**, in each case showing the total cost of the Project by line item, furnished by the Developer to DCD, in accordance with **Section 3.03** hereof.

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

**"Proposed Successor"** shall mean an entity that would result from a proposed Transaction.

**"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.

**"Rehabilitation Project"** shall have the meaning set forth in the Recitals hereof.

**"Remaining City Funds"** shall mean have the meaning set forth in **Section 4.03(c)**.

**"Requisition Form"** shall mean the document, in the form attached hereto as **Exhibit K**, to be delivered by the Developer to DCD pursuant to **Section 4.04** of this Agreement.

**"Resubmission"** shall have the meaning set forth in **Section 7.01** hereof.

**"Scope Drawings"** shall mean preliminary construction documents that are at least 50% schematic design containing a site plan and preliminary drawings and specifications for the Rehabilitation Project, Phase I or Phase II, as applicable.

**"Survey"** shall mean the ALTA/ACSM Land Title Survey, performed by Chicago Guarantee Survey Company, and dated November 20, 2006, which is attached hereto as **Exhibit P**.

**"Tenant Improvement Allowance"** shall mean funds, if any, provided by the Landlord under the Lease and irrevocably available to pay for costs of the Rehabilitation Project, in the amount set forth in **Section 4.01** hereof.

**"Term of the Agreement"** shall mean the period of time commencing on the Closing Date and concluding at the end of the Compliance Period.

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

**TIF-Funded Improvements** shall mean those improvements of the Rehabilitation 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-1** lists the TIF-Funded Improvements for the Rehabilitation Project with respect to Version A of the Project, and **Exhibit C-2** lists the TIF-Funded Improvements for the Rehabilitation Project with respect to Version B of the Project.

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

**Title Company** shall mean First American Title Insurance Company.

**Title Policy** shall mean a leasehold 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, if any, related to Lender Financing, if any, issued by the Title Company, and containing only those title exceptions listed as Permitted Liens on Exhibit G hereto.

**Transaction** shall mean the merger or consolidation of either Developer entity with another entity, the reorganization of either Developer entity with another entity, or the sale, assignment or transfer to another entity of the Lease, this Agreement, the Grant Agreement or all or a majority interest in the business and/or assets of either Developer entity.

**United Space** shall have the meaning set forth in the Recitals hereof; provided, however, that so long as the Developer continues to lease and occupy at least 400,000 square feet in the United Space after the issuance of the Phase II Certificate, the "United Space" shall not include space beyond this 400,000 square feet that the Developer has subleased or released in accordance with the terms of the Lease and this Agreement including **Section 8.23**. provided further that If the Developer elects Version A, Developer must continue to lease and occupy at least 450,000 square feet in the United Space after the issuance of the Phase II Certificate unless the Developer exercises a contraction right under the Lease.

**Version A** shall have the meaning set forth in **Recital D** hereof.

**Version B** shall have the meaning set forth in **Recital D** hereof.

**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.** (a) With respect to the Rehabilitation Project, the Developer shall, pursuant to the Plans and Specifications and the Lease and subject to the provisions of **Section 18.17** hereof: (i) commence construction of Phase I no later than August 1, 2010, (ii) commence construction of Phase II no later than January 1, 2011; (iii) complete Phase I and conduct business operations in the related portion of the United Space no later than December 1, 2010, and (iv) complete Phase II and the Rehabilitation Project and conduct business operations in the United Space no later than July 1, 2011. With respect to the use of the United Space as the Developer's Operational Headquarters, the Developer shall be bound by the Operating Covenants, Job Covenants and other obligations and deadlines described in **Section 8.06** and elsewhere in this Agreement.

(b) Along with the Developer's written request for the issuance of the Phase I Certificate as set forth in **Section 7.01**, the Developer shall deliver to DCD written notification of the Developer's election to construct either Version A or Version B of the project (the "**Project Version Notice**").

**3.02 Scope Drawings and Plans and Specifications.** The Developer has delivered the Scope Drawings and Plans and Specifications to DCD and DCD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DCD 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, as applicable, for Phase I and Phase II of the Project.

**3.03 Project Budget.** (a) The Developer has furnished to DCD, and DCD has approved, a Project Budget showing total costs for the Rehabilitation Project (i) with respect to Version A, in an amount not less than Seventy-One Million Seven Hundred and Eighty-Six Thousand Six Hundred and Fifty Dollars (\$71,786,650) and (ii) with respect to Version B, in an amount not less than Sixty-Three Million Nine Hundred and Ninety-Four Thousand Six Hundred and Twenty-Three Dollars (\$63,994,623).

(b) The Developer hereby certifies to the City that (i) the City Funds, together with Lender Financing, the Tenant Improvement Allowance, and Equity described in **Section 4.01** hereof, shall be sufficient to complete the Rehabilitation Project; (ii) it has Equity and a Tenant Improvement Allowance in an amount sufficient to pay for all Rehabilitation Project costs; and (iii) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DCD 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 in this **Section 3.04**, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Rehabilitation Project must be submitted by the Developer to DCD concurrently with the progress reports described in **Section 3.07** hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DCD for DCD's prior written approval: (a) a reduction in the gross or net square footage of the United Space by five percent (5%) or more (either individually or cumulatively) or below 450,000 square feet if the Developer elects Version A or below 400,000 square feet if the Developer elects Version B; (b) a change in the use of

the United Space to a use other than as described in **Recital D** to this Agreement; (c) a delay in the completion of the Rehabilitation Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Rehabilitation Project of ten percent (10%) or more. 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 DCD's written approval (to the extent said City approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this **Section 3.04**, Change Orders other than those set forth above do not require DCD's prior written approval as set forth in this **Section 3.04**, but DCD shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to DCD the source of funding therefor.

**3.05 DCD Approval.** Any approval granted by DCD 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 DCD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Rehabilitation Project.

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

**3.07 Progress Reports and Survey Updates.** The Developer shall provide DCD with written quarterly progress reports detailing the status of the Rehabilitation Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DCD's written approval pursuant to **Section 3.04**). The Developer shall provide three (3) copies of an updated Survey to DCD upon the request of DCD or any lender providing Lender Financing, reflecting improvements made to the Property.

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

**3.09 Barricades.** Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. DCD 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.** If requested by DCD, the Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Rehabilitation 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 Building, the United Space 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 Rehabilitation 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 Rehabilitation Project is estimated to be Seventy-One Million Seven Hundred Eighty-Six Thousand Six Hundred Fifty Dollars (\$71,786,650) under Version A or Sixty-Three Million Nine Hundred Ninety-Four Thousand Six Hundred Twenty-Three Dollars (\$63,994,623) under Version B, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

**Version A:**

Sources of Funds	Total Sources	Phase I	Phase II
Equity (subject to <b>Sections 4.03(c) and 4.05(d)</b> )	\$ 46,441,330	\$ 19,969,772	\$ 26,471,558
Lender Financing	\$ 0	\$ 0	\$ 0
Tenant Improvement Allowance	\$ 25,345,320	\$ 10,898,488	\$ 14,446,832
<b>TOTAL</b>	<b>\$ 71,786,650</b>	<b>\$ 30,868,260</b>	<b>\$ 40,918,391</b>

**Version B:**

Sources of Funds	Total Sources	Phase I	Phase II
Equity (subject to <b>Sections 4.03(c) and 4.05(d)</b> )	\$ 41,404,230	\$ 19,969,772	\$ 21,434,458
Lender Financing	\$ 0	\$ 0	\$ 0
Tenant Improvement Allowance	\$ 22,590,393	\$ 10,898,488	\$ 11,691,905
<b>TOTAL</b>	<b>\$ 63,994,623</b>	<b>\$ 30,868,260</b>	<b>\$ 33,126,363</b>

For either or both Phases, the Developer may increase the amount of equity and decrease the Tenant Improvement Allowance so long as the total Sources of Funds for each Phase does not fall below the amounts stated in this **Section 4.01**.

**4.02 Developer Funds.** Equity, Tenant Improvement Allowance and/or Lender Financing may be used to pay any Rehabilitation Project cost, including but not limited to Redevelopment Project Costs.

**4.03 City Funds.** (a) Uses of City Funds; Conditions on All Payments of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. **Exhibit C-1**, with respect to Version A, and **Exhibit C-2**, with respect to Version B, set forth, by line item, the TIF-Funded Improvements for the Rehabilitation 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(c) and 4.05(d)**), contingent upon receipt by the City of documentation satisfactory in form and substance to DCD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall be disbursed to the Developer as follows: (1) a payment in connection with the issuance of the Phase I Certificate as prescribed by **Section 4.03(d)** (the "Phase I Payment"), (2) a payment in connection with the issuance of the Phase II Certificate as prescribed by **Section 4.03(e)**, (the "Phase II Payment"), and (3) the issuance of the City Note as prescribed by **Section 4.03(b)** under which the City will make eight annual payments (the "Annual Payments").

All payments are subject to the approval of DCD as described below. All payment of City Funds shall be contingent upon DCD having first received, along with the Requisition Form, (i) for the Phase II Payment and each Annual Payment, the Annual Compliance Report for the prior calendar year and (ii) for all payments of City Funds, documentation satisfactory in form and substance to DCD (including Developer's filing of a Jobs and Occupancy Certificate) evidencing Developer's compliance with the then-applicable Jobs Covenant and the Operating Covenant, both as set forth in **Section 8.06** hereof.

(b) City Note. Subject to the terms and conditions of this Agreement, including but not limited to this **Section 4.03** and **Section 5** hereof, the City hereby agrees to issue the City Note to the Developer upon the issuance of the Phase II Certificate. The principal amount of the City Note shall be in an amount equal to the costs of the TIF-Funded Improvements which have been incurred by the Developer and are to be reimbursed by the City through payments of principal and interest on the City Note, subject to the provisions hereof; provided, however, that (i) the maximum principal amount of the City Note shall be an amount not to exceed the lesser of (A) \$18,389,768 or (B) the Remaining City Funds (as hereinafter defined); and (ii) payments under the City Note are subject to the amount of Available Incremental Taxes deposited into the LaSalle Central Redevelopment Project Area TIF Fund being sufficient for such payments.

Except as otherwise provided in this Agreement, the first Annual Payment shall be paid on the first anniversary of the issuance of the Phase II Certificate. Subsequent Annual Payments shall be made in each subsequent year on the anniversary of the Phase II Payment except as otherwise provided by this Agreement. Notwithstanding the foregoing, if at any time before the eighth anniversary of the date the Phase II Certificate is issued the Developer delivers an Extension Notice and cures the applicable Event of Default during the one-year period in which the Extension Notice was delivered, then the schedule of payments of Annual Payments under the City Note shall be extended by one year and shall end on the ninth anniversary of the date the Phase II Certificate is issued.

(c) 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 provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse the Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
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Available Incremental Taxes

\$24,389,768

provided, however, that if the Final Project Cost is less than \$60,974,420, the total amount of City Funds shall be reduced by \$.75 for every \$1.00 (or portion thereof) by which the Final Project Cost is less than \$60,974,420. The “**Remaining City Funds**” shall mean the remainder after the Phase I Payment and Phase II Payment plus any adjustments pursuant to this Section 4.03(c) are subtracted from \$24,389,768.

Notwithstanding the foregoing, the maximum of \$24,389,768 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Available Incremental Taxes deposited into the LaSalle Central TIF Fund shall be sufficient to pay for such costs. The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$24,389,768 is contingent upon the amount of the Available Incremental Taxes deposited into the LaSalle Central TIF Fund being sufficient to pay for such costs.

(d) Phase I Payment. Within 90 days after the issuance of the Phase I Certificate to the Developer by DCD, subject to the conditions described in this Section 4.03, the City shall make the Phase I Payment to Developer in an amount equal to \$2,400 times the number of FTEs located at the United Space as of the date the Developer makes its written request for issuance of the Phase I Certificate; provided, however, that the Phase I Payment shall in no event exceed \$3,000,000.

(e) Phase II Payment. Within 90 days after the issuance of the Phase II Certificate to the Developer by DCD, subject to the conditions described in this Section 4.03, the City (1) shall issue the City Note and (2) shall make the Phase II Payment to Developer in an amount equal to \$6,000,000 minus the Phase I Payment; provided, however, that the total amount of City Funds, and the amount of the Phase II Payment, shall be reduced by \$500,000 if the City determines prior to issuing the Phase II Certificate that the United Space is unlikely to achieve a LEED Certification. If the City reduces the Phase II Payment pursuant to this Section 4.03(e) and the United Space achieves LEED Certification as provided in Section 8.24 within two years following the issuance of the Phase II Certificate, then the City shall reimburse the Developer for the actual reduction, if any, of the Phase II Payment made pursuant to this Section 4.03(e).

(f) Job Training. Developer shall be eligible for reimbursement of up to \$1,500,000 in Eligible Job Training Costs for job training activities conducted by Developer for its employees relocated to the United Space, provided that such expenses (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan, and (iii) are consistent with the TIF Works program guidelines as administered by the Department's Division of Workforce Solutions, including development of the job training plan, establishing and measuring outcomes and requesting and processing reimbursement for eligible expenses (“**Job Training Funds**”).

Developer's maximum reimbursement for Eligible Job Training Costs incurred in: (a) 2010 shall be \$750,000 and (b) 2011 shall be \$750,000; provided, however, that if Developer does not incur these maximum amounts in 2010 and/or 2011, then Developer shall be reimbursed for Eligible Job Training Costs incurred in subsequent years during the Term of the Agreement up to a total maximum of \$1,500,000. Prior to the disbursement of Job Training Funds, the City may request that the Developer submit evidence in a form acceptable to the City that the Developer has incurred Eligible Job Training Costs. The Job Training Funds shall be in addition to and not a part of the City Funds.

**4.04 Requisition Form.** When the Developer submits documentation to the City in connection with a request for the payment of the City Funds as described in **Section 4.03(a)** or of the Job Training Funds as described in **Section 4.03(f)**, beginning on the first request for payment and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DCD with a Requisition Form, along with the documentation described therein. The Developer shall meet with DCD at the request of DCD to discuss the Requisition Form(s) previously delivered.

**4.05 Treatment of Prior Expenditures and Subsequent Disbursements.**

(a) **Prior Expenditures.** Only those expenditures made by the Developer with respect to the Rehabilitation Project prior to the Closing Date, evidenced by documentation satisfactory to DCD and approved by DCD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "**Prior Expenditures**"). DCD 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 DCD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to **Section 4.01** hereof.

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

(c) **City Fee.** Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

(d) **Allocation of Costs With Respect To Sources of Funds.**

(i) **Disbursement of Equity, Lender Financing and Tenant Improvement Allowance.** Each amount paid pursuant to this Agreement, whether for TIF-Funded Improvements or otherwise, shall be charged first to Equity, Lender Financing and/or Tenant Improvement Allowance.

(ii) **Disbursement of City Funds.** After there is no Equity or Tenant Improvement Allowance remaining for the applicable Phase, each amount paid pursuant to this Agreement shall be charged to City Funds, to be used to directly pay for, or reimburse the Developer for its previous payment for (out of Equity, Lender Financing or Tenant Improvement Allowance) TIF-Funded Improvements; provided that costs of TIF-Funded Improvements that are to be paid from City Funds derived from (1) Available Incremental Taxes on deposit from time to time in the LaSalle Central TIF Fund, and/or (2) proceeds of TIF Bonds, if any, shall be payable by the City only to the extent that such funds are available; provided, further, that if Available Incremental Taxes are not sufficient to fund the Phase I Payment, the Phase II Payment or any Annual Payment when otherwise due and payable, then the City shall make up any shortfall in the Phase I Payment, the Phase II Payment, or any Annual Payment at any time during the Term of the Agreement to the extent that Available Incremental Taxes are sufficient to pay such costs.

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

**4.07 Preconditions of Disbursement.** Prior to each disbursement of City Funds hereunder, the Developer shall submit documentation regarding the applicable expenditures to DCD, which shall be satisfactory to DCD in its sole discretion. Delivery by the Developer to DCD of any request for disbursement of City Funds 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 disbursement, that:

(a) the total amount of the request for disbursement represents the actual cost of the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Rehabilitation Project, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) the Developer has approved all work and materials for the current disbursement request, 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 United Space except for the Permitted Liens;

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

(g) the Rehabilitation Project is In Balance. The Rehabilitation Project shall be deemed to be in balance ("**In Balance**") only if the total of the available Rehabilitation Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Rehabilitation Project costs incurred or to be incurred in the completion of the Rehabilitation Project. "**Available Rehabilitation Project Funds**" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Rehabilitation Project is not In Balance, the Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Rehabilitation Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The certifications made in **Sections 4.07(a)-(c)** and **Section 4.07(g)** shall apply only with respect to the Phase I Payment and the Phase II Payment. The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement 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 disbursement of City Funds for each disbursement, including but not limited to the requirements set forth in the Bond Ordinance, if any, the Bonds, if any, the TIF Ordinances and 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. The City Funds are subject to being reimbursed as provided in Section 15.02 hereof.

## SECTION 5. CONDITIONS PRECEDENT

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

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

**5.02 Scope Drawings and Plans and Specifications.** Prior to the commencement of the Project, the Developer shall submit to DCD for DCD's approval the Scope Drawings in accordance with the provisions of Section 3.02. In addition, the Developer shall submit Plans and Specifications in accordance with the provisions of Section 3.02 hereof prior to the commencement of the applicable Phase.

**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 DCD.

**5.04 Financing.** The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity, Lender Financing and other sources of funds in the amounts set forth in Section 4.01 hereof to complete the Rehabilitation 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 other sources set forth in Section 4.01) to complete the Rehabilitation Project. The Developer has delivered to DCD a copy of the construction escrow agreement, if any, entered into by the Developer regarding the Lender Financing. Any liens against the United Space related to Lender Financing 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 Lease and Title.** On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the United Space, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DCD, on or prior to the

Closing Date, documentation related to the lease of the United Space and copies of all easements and encumbrances of record with respect to the Property not addressed, to DCD'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 for United and UAL 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 (N.D.IL)	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against the Developer relating to the Project, the Property or any fixtures now or hereafter affixed to the United Space, 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 United Space in accordance with **Section 12** hereof, and has delivered certificates required pursuant to **Section 12** hereof evidencing the required coverages to DCD.

**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 DCD in its sole discretion of the Prior Expenditures in accordance with the provisions of **Section 4.05(a)** hereof.

**5.11 Financial Statements.** The Developer has provided Financial Statements to DCD for its most recent fiscal year, and Developer's Form 10-Q Quarterly Report as most recently filed with the United States Securities and Exchange Commission.

**5.12 Documentation.** The Developer has provided documentation to DCD, satisfactory in form and substance to DCD, with respect to current employment matters.

**5.13 Environmental.** The Developer has provided DCD with copies of all environmental reports or audits, if any, obtained by the Developer or Landlord with respect to the Property, together with notices addressed to the Developer or provided by Landlord to the Developer from any agency regarding environmental issues at the Property. The Developer has provided the City with a letter

from the environmental engineer(s) who completed audit(s) for the Developer, authorizing the City to rely on such audits.

**5.14 Corporate Documents; Economic Disclosure Statement; Familial Relations Disclosure Affidavit.** The Developer has provided a copy of its Articles or Certificate 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; by-laws of the corporation; and such other corporate documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement and Familial Relations Disclosure Affidavit, in the City's then current form, dated as of the Closing Date.

**5.15 Litigation.** The Developer has provided to Corporation Counsel and DCD in writing, a description of all pending or threatened litigation or administrative proceedings (a) involving the Developer's property located in the City, (b) that Developer is otherwise required to publicly disclose or that may affect the ability of Developer to perform its duties and obligations pursuant to this Agreement, or (c) involving the City or involving the payment of franchise, income, sales or other taxes by such party to the State of Illinois or the City. In each case, the description shall specify 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 Lease.** A complete copy of the Lease, and all other written agreements setting forth the parties' understandings relating to the Developer's relocation to or occupancy of the United Space and any financial agreements between the parties in any way relating to the Property, the United Space or the Lease, jointly certified by the Developers, shall have been delivered to the City.

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

### **6.01 Bid Requirement for General Contractor and Subcontractors.**

(a) Except as set forth in **Section 6.01(b)** below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Rehabilitation Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business, licensed, and in good standing with the City of Chicago, and shall submit a summary of all General Contractor's bids received (a "**Bid Summary**") to DCD for its inspection and approval, which shall not be unreasonably withheld and which shall be given or denied in writing within 10 business days from receipt by DCD. Each Bid Summary shall include the name of the contractor, the nature of the work, the price, the reason for selecting the successful bidder, a summary of the subcontracts comprising the General Contractor's bid, and other information as DCD may request from time to time. For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible and responsive bid who can complete the Rehabilitation Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible and responsive bid for the TIF-Funded Improvements, the difference between the lowest responsible and responsive bid and the bid selected may not be paid out of City Funds. The Developer shall submit copies of the Construction Contract to DCD in accordance with **Section 6.02** below. If requested, photocopies of all subcontracts entered or to be entered into in connection with the TIF-

Funded Improvements shall be provided to DCD within ten (10) 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 Rehabilitation Project until the Plans and Specifications have been approved by DCD and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Rehabilitation Project, the Developer does not solicit bids pursuant to **Section 6.01(a)** hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed 10% of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of **Section 6.01(a)** shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

**6.02 Construction Contract.** Prior to the execution thereof, the Developer shall deliver to DCD a copy of the proposed Construction Contract with the General Contractor selected to handle the Rehabilitation Project in accordance with **Section 6.01** above, for DCD'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 DCD 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 Rehabilitation 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 M** 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; provided, however, that the contracting, hiring and testing requirements for the MBE/WBE and City Residency obligations in **Section 10** shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default under or termination of this Agreement or require the payment of the City resident hiring shortfall amount so long as such **Section 10** obligations are satisfied on an aggregate basis.

**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-Funded Improvements shall be provided to DCD within five (5) business days of a written request from DCD therefrom.

## SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

**7.01 Certificate of Completion of Construction or Rehabilitation.** Upon satisfaction of the conditions set forth in this **Section 7.01(a)**, and upon the Developer's written request, which shall include a final Rehabilitation Project budget detailing the total actual cost of the construction of Phase I of the Project (the "**Phase I Project Cost**"), DCD Shall issue to the Developer the Completion Certificate for Phase I of the Rehabilitation Project (the "**Phase I Certificate**"). Upon the Developer's written request, which shall include a final Rehabilitation Project budget detailing the total actual cost of the construction of Phase II of the Project ("**Phase II Project Cost**") and a City Note Request Notice, DCD shall issue to the Developer the Completion Certificate for Phase II of the Rehabilitation Project (the "**Phase II Certificate**"). Both the Phase I Certificate and the Phase II certificate shall be in recordable form certifying that the Developer has fulfilled its obligation to complete the applicable Phase of the Rehabilitation Project in accordance with the terms of this Agreement. No Certificate shall be issued unless DCD is satisfied that the Developer has fulfilled all of the following obligations that pertain to the Certificate being requested:

- (a) General conditions applicable to Phase I Certificate
  - (i) At least 1,000 FTEs have been relocated to the United Space.
  - (ii) At least 1,000 External Employees have been permanently relocated to either the United Space or the Corporate Headquarters.
  - (iii) The Developer has built out and occupied at least 200,000 square feet of Phase I of the United Space.
  - (iv) The Developer has completed construction of the Interior Build-out for Phase I according to the Plans and Specifications for Phase I.
  - (v) The Developer has registered the United Space for, and is in the process of receiving, a LEED Certification with respect to Phase I.
  - (vi) The Developer has submitted to DCD adequate documentation of the Phase I Project Cost.
  - (vii) Receipt of a Certificate of Occupancy or other evidence acceptable to DCD that the Developer has complied with building permit requirements for Phase I.
  - (viii) The City's Monitoring and Compliance Unit has verified that, at the time the Phase I Certificate is issued, the Developer is in full compliance as determined on a Project-wide basis with City requirements set forth in **Section 10** and **Section 8.09** (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project, and that 100% of the Developer's MBE/WBE Commitment in **Section 10.03** has been fulfilled.
  - (ix) The Developer has incurred costs for TIF-Funded Improvements in an amount equal to or higher than the amount indicated on (A) **Exhibit C-1** with respect to Phase I of Version A, or (B) **Exhibit C-2** with respect to Phase I of Version B.

- (x) There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.
- (b) Conditions applicable to the Phase II Certificate
  - (i) A total of at least 2,500 FTEs have been relocated to the United Space.
  - (ii) A total of at least 2,500 External Employees have been permanently relocated to either the United Space or the Corporate Headquarters.
  - (iii) (A) With respect to Version A, the Developer has built out and occupied a total of at least 450,000 square feet of the United Space, or (B) with respect to Version B, the Developer has built out and occupied a total of at least 400,000 square feet of the United Space.
  - (iv) The Developer has submitted to DCD adequate documentation of the Phase II Project Cost; provided, however, that if the Final Project Cost is less than \$60,974,420, the total amount of City Funds shall be reduced as set forth in Section 4.
  - (v) The Developer has completed construction of the Interior Build-out for Phase II according to the Plans and Specifications for Phase II.
  - (vi) The Developer has registered the United Space for, and is in the process of receiving, a LEED Certification with respect to the United Space; provided, however, that if the City determines prior to issuing the Phase II Certificate that the United Space is unlikely to achieve a LEED Certification, then the Phase II Payment shall be reduced by \$500,000, as described in Section 4.03(e).
  - (vii) Receipt of a Certificate of Occupancy or other evidence acceptable to DCD that the Developer has complied with building permit requirements for Phase II.
  - (vii) The City's Monitoring and Compliance Unit has verified that, at the time the Phase II Certificate is issued, the Developer is in full compliance as determined on a Project-wide basis with City requirements set forth in Section 10 and Section 8.09 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project, and that 100% of the Developer's MBE/WBE Commitment in Section 10.03 has been fulfilled.
  - (viii) The Developer has incurred costs for TIF-Funded Improvements in an amount equal to or higher than the amount indicated on (A) Exhibit C-1 with respect to Phase II and the Rehabilitation Project for Version A, or (B) Exhibit C-2 with respect to Phase II and the Rehabilitation Project for Version B.
  - (ix) There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

DCD shall respond to the Developer's written request for a Certificate within thirty (30) days by issuing either a Certificate or a written statement (a "**Deficiency Letter**") detailing the ways in which the Rehabilitation 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 (a "**Resubmission**") upon completion of such measures. The Developer shall use reasonable efforts to deliver to the City a Resubmission within thirty (30) days after receiving the applicable Deficiency Letter, and the City shall use reasonable efforts to respond to each Resubmission within thirty (30) days after receipt by issuing either a Certificate or a Deficiency Letter.

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

Those covenants specifically described at **Sections 8.02, 8.06 and 8.19** as covenants that run with the leasehold interest in the United Space are the only covenants in this Agreement intended to be binding upon any transferee of the United Space (including an assignee as described in the following sentence) throughout the Term of the Agreement 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 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, the Grant Agreement and any other related agreements to which the City and the Developer are or shall be parties, cease all disbursement of City Funds not yet disbursed pursuant hereto or pursuant to the City Note, and/or make a demand under the Guaranty; and

(b) 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, DCD 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 and throughout the Compliance Period, that:

(a) the Developer is a Delaware corporation duly organized, validly existing, qualified to do business in its state of incorporation/organization and 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 maintain good, indefeasible and merchantable leasehold title to the United Space 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) during the term of this Agreement, and except for Transactions with Approved Successors, the Developer shall not do any of the following without the prior written consent of DCD and, if applicable, unless authorized by an ordinance duly adopted by the City Council: (1) be a party

to any merger, liquidation or consolidation except with an Approved Successor; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property in which it has an interest (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or except to an Approved Successor; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity to the extent that such action would have an adverse effect on Developer's ability to perform its obligation under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DCD, allow the existence of any liens against the United Space (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.** Upon DCD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in **Sections 3.02** and **3.03** hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the leasehold interest in the United Space and be binding upon any transferee of the United Space, 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 pay for (or to reimburse the Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

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

**8.06 Job Creation and Retention; Covenant to Remain in the City.**

(a) **Operating Covenant.** The Developer hereby covenants and agrees to maintain its Operational Headquarters at the Building and (i) if the Developer elects Version A, to lease and occupy a minimum of 450,000 square feet at the Building throughout the Compliance Period, **provided however** that if the Developer exercises its contraction right under the lease, the Developer may occupy a minimum of 400,000 square feet, or (ii) if the Developer elects Version B, to lease and occupy a minimum of 400,000 square feet at the Building throughout the Compliance Period (collectively, the "**Operating Covenant**"). If an Approved Successor succeeds to the Developer's assets or operations, such operational headquarters obligation shall be satisfied so long as such Approved Successor maintains operations at the Building as the principal place of business for one or more of the Approved Successor's significant business units having revenues, operations and employees equal to or greater than those of the Developer prior to the transaction that resulted in the Approved Successor becoming party to this Agreement. A default under the Operating Covenant shall constitute an Event of Default without notice or opportunity to cure.

In the event and as part of the terms of any merger, consolidation or reorganization of the Developer during the Compliance Period, the Approved Successor shall be bound by and shall agree to assume and comply with the terms, conditions, covenants, representations and warranties set forth in the Agreements (as defined in the Assumption Agreement) which, by their terms, are binding upon Developer including the Operating Covenant and the Jobs Covenant, in each case with respect to the Approved Successor and its Affiliates. The Approved Successor shall be required to deliver a substitute Guaranty in form and substance satisfactory to the City in its sole and absolute discretion.

(b) **Jobs Covenant.** The Developer, directly or through one or more Affiliates, shall adhere to the following job relocation, creation and retention standards between the issuance of the Phase I and Phase II Certificates and throughout the Compliance Period after the issuance of the Phase II Certificate (collectively the "**Jobs Covenant**");

- (i) Prior to the date the Developer requests the City to issue the Phase I Certificate at least 1,000 FTEs shall be relocated to the United Space and at least 1,000 External Employees shall have been brought into the City. The Developer shall maintain at least 1,000 FTEs at the United Space after the issuance of the Phase I Certificate until the issuance of the Phase II Certificate.
- (ii) Prior to the date the Developer requests the City to issue the Phase II Certificate, a total of at least 2,500 FTEs shall be relocated to the United Space and at least 2,500 External Employees shall have been brought into the City;
- (iii) From the issuance of the Phase II Certificate through the remainder of the Compliance Period, the number of FTEs relocated to and/or created at the United Space shall be at least 2,500 FTEs.

Throughout the Compliance Period, the Developer shall submit to DCD annual certified Jobs and Occupancy Certificates disclosing compliance with the then-applicable Jobs Covenant and the Operating Covenant to DCD. These Jobs and Occupancy Certificates shall be submitted to DCD by February 1<sup>st</sup> for the prior calendar year. The Developer agrees that it shall act in good faith and, among other things, shall not hire temporary workers or relocate workers for short periods of time for the primary purpose of avoiding a breach of the Jobs Covenant. The Jobs and Occupancy Certificate shall include the names and titles of FTEs employed at the Operational Headquarters as of the end of the prior calendar year.

(c) Jobs Covenant Default and Cure Period. If the Developer defaults under the Jobs Covenant described in Section 8.06(b)(iii), an Event of Default shall not be declared with respect to such default if the Developer, upon irrevocable written notice (the "Extension Notice") accompanying the Jobs and Occupancy Certificate, elects to extend the Compliance Period by one year to the eleventh (11<sup>th</sup>) anniversary of the date the Phase II Certificate is issued. The one-year period during which the Extension Notice is given shall be the only cure period allowed for a default by Developer of the Jobs Covenant as described in this paragraph; no other notice or cure periods shall apply thereto and if such default is not cured within such one-year period then the Compliance Period shall not be extended and an Event of Default shall exist without notice or opportunity to cure. If the Developer has not delivered a permitted Extension Notice then any default by the Developer under the Jobs Covenant shall constitute an Event of Default without notice or opportunity to cure. The Developer shall be entitled to deliver one Extension Notice. If the Developer has delivered an Extension Notice, then any subsequent default by the Developer of the Jobs Covenant as described in this paragraph shall constitute an Event of Default without notice or opportunity to cure.

(d) Covenants Run with the Leasehold Interest; Remedy. The covenants set forth in this Section 8.06 shall run with the leasehold interest in the United Space and be binding upon any transferee of the United Space. In the event of a default for any of the covenants in this Section 8.06, the City shall have the right to recapture the full amount of all City Funds previously paid or disbursed to the Developer for the Project by making a demand under the Guaranty if such default(s) is/are not cured during the applicable cure period, if any, and to exercise any other remedies described or referred to in this Agreement.

(e) A default by the Landlord under the Lease shall not (a) relieve Developer from its obligations under this Agreement or (b) constitute any defense, excuse of performance, release,

discharge or similar form of equitable or other relief that would prevent or limit the City's enforcement of its remedies under this Agreement.

**8.07 Employment Opportunity; Progress Reports.** The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in **Section 10** hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of **Sections 8.09, 10.02 and 10.03** of this Agreement. Such reports shall be delivered to the City when the Rehabilitation Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). Notwithstanding the foregoing, if the Rehabilitation Project is begun before the Closing occurs, then at Closing the Developer shall deliver to the City a written progress report detailing compliance with the requirements of **Sections 8.09, 10.02 and 10.03** of this Agreement based on the portion of the Rehabilitation Project completed prior to Closing. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DCD which shall outline, to DCD's satisfaction, the manner in which the Developer shall correct any shortfall.

**8.08 Employment Profile.** If requested by DCD, the Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DCD, from time to time, statements of its employment profile.

**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 Rehabilitation 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 DCD has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon DCD'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 DCD Financial Statements for the Developer's fiscal year ended 2008 and each 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 DCD 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 United Space 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 United Space 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 DCD, within thirty (30) days of DCD's request, official receipts from the appropriate entity, or other proof satisfactory to DCD, 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 DCD's sole option, to furnish a good and sufficient bond or other security satisfactory to DCD in such form and amounts as DCD 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 DCD 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 United Space 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 United Space. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

**8.18 Recording and Filing.** The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record. Notwithstanding the recordation of this Agreement, the City and Developer agree and acknowledge that this Agreement is not intended to bind and shall not bind (a) any portion of the Property other than the United Space, (b) the Landlord or the Landlord's successors, transferees and assigns in its or their capacity as landlord, or (c) tenants of the Property, in their capacity as tenants, other than Developer and their successors, transferees and assigns including any Approved Successor.

**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 United Space 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 United Space 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 United Space 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 DCD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DCD's sole option,

(i) the Developer shall demonstrate to DCD'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 United Space to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

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

(c) Real Estate Taxes.

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

(ii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of the Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the United Space or the Project.

(iii) No Objections. During the Term of the Agreement, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any underassessment complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer.

(iv) Covenants Running with the Land. The parties agree that the restrictions contained in this **Section 8.19(c)** are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property, United Space or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this **Section 8.19(c)** to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this **Section 8.19(c)**. This **Section 8.19(c)** does not create a binding obligation on the Landlord

**8.20 [Intentionally Omitted.]**

**8.21 Leasehold Title Policy.** On the Closing Date, the Developer shall furnish the City with a copy of the Leasehold Title Policy for the United Space, certified by the Title Company, showing fee simple title to the Property in the Landlord under the Lease, subject to the leasehold interest of the Developer under the Lease, with the Developer as the insured with respect to the leasehold interest in the United Space. The Leasehold Title Policy shall be dated as of the date the Lease or a memorandum thereof is recorded and shall contain only those title exceptions listed as Permitted Liens on **Exhibit G** hereto and shall evidence the recording of this Agreement pursuant to the provisions of **Section 8.18** hereof. The Leasehold Title Policy also shall contain such endorsements as may 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 shall provide to DCD, on or prior to the date the Closing Date, a copy of the executed Lease and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DCD's satisfaction, by the Leasehold Title Policy and any endorsements thereto.

**8.22 [Intentionally Omitted.]**

**8.23 Lease.** Throughout the Compliance Period the Developer shall not (a) execute or consent to a Material Amendment or (b) sell, sublease (except pursuant to a contraction right exercised under the Lease if the Developer elects Version A of the Project), release, assign or otherwise transfer its interest in the Lease without the prior written consent of DCD, which consent shall be in DCD's sole discretion.

**8.24 LEED Certification.** Within two years after the Phase II Certificate is issued, the Developer shall provide evidence acceptable to the City that LEED Certification has been obtained.

**8.25 Annual Compliance Report.** Beginning with the calendar year in which the Phase I Certificate is issued and continuing throughout the Term of the Agreement, the Developer shall submit to DCD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates. For example, if the Phase I Certificate is issued in 2010, then the first Annual Compliance Report will be due no later than January 30, 2011.

**8.26 Notice of Proposed Successor.** In connection with a proposed Transaction, not less than one business day after the public announcement of the proposed Transaction, Developer shall deliver to the City a signed Notice of Proposed Successor in the form of **Exhibit L**. Developer shall deliver, and shall cause the Proposed Successor to deliver, such additional documents and information as the City may require in connection with the proposed Transaction. The Developer's sale, assignment and transfer to the Proposed Successor of its rights, obligations and duties under the Agreements (as defined in the Assumption Agreement) pursuant to the proposed Transaction and the Proposed Successor's assumption of all of the Developer's rights, obligations and duties under the Agreements (as defined in the Assumption Agreement) shall not occur unless authorized by an ordinance duly adopted by the City Council.

An "**Approved Successor**" shall mean a Proposed Successor with respect to which each of the following conditions has been satisfied:

(i) the Proposed Successor's assumption of all of the Developer's rights, obligations and duties under the Agreements (as defined in the Assumption Agreement) have been authorized by an ordinance duly adopted by the City Council;

(ii) the Proposed Successor has delivered to the City the executed Assumption Agreement and has complied with the requirements, including the delivery of a substitute Guaranty and other deliveries, pursuant to the Assumption Agreement; and

(iii) pursuant to the Assumption Agreement, the Proposed Successor has agreed (a) to lease and occupy at least 450,000 square feet of office space in the Building, (b) to use such space in the Building for the operational center headquarters for the Proposed Successor and its Affiliates, and (c) to have at least the number of FTEs at the Building as required under the Jobs Covenant, in each case in accordance with the terms of this Agreement.

**8.27 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.

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

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

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

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

**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 the Developer and during the period of any other party's provision of services in connection with the construction of the Rehabilitation 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation 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 DCD 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 DCD, 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 Rehabilitation Project.

At the direction of DCD, 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 Rehabilitation 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. **Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.**

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

The Developer shall cause or require the provisions of this **Section 10.02** to be included in all construction contracts and subcontracts related to the Rehabilitation 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 Rehabilitation 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 Rehabilitation Project, at least the following percentages of the MBE/WBE Budget (as set forth in **Exhibit H-2A** with respect to Version A and **Exhibit H-2B** with respect to Version B) 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 Rehabilitation Project) shall be deemed a “**contractor**” and this Agreement (and any contract let by the Developer in connection with the Rehabilitation 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Rehabilitation Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Rehabilitation 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 DCD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Rehabilitation 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 Rehabilitation Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Rehabilitation 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 Rehabilitation Project for at least five years after completion of the Rehabilitation 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, and/or (3) seek any other remedies against the Developer available at law or in equity.

## SECTION 11. ENVIRONMENTAL MATTERS

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

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. In the event of a conflict between any provisions of **Section 11, Environmental Matters**, of this Agreement and the provisions of any current or future agreement between the City and the Developer relating to the subject matter of this **Section 11** (the "**Other Agreements**"), the terms and conditions of such Other Agreements shall prevail and control solely with respect to the subject matter of this **Section 11**.

## 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.

(i) 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.

(ii) 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.

(iii) All Risk Property

All Risk Property Insurance at replacement value of property within the United Space to protect against loss of, damage to, or destruction of the United Space. 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 Rehabilitation Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Rehabilitation Project to procure and maintain the following kinds and amounts of insurance:

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions 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.

(vii) 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.

(viii) 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:

(i) 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.

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of Planning Services, 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 30 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 provided that the minimum coverage limits set forth in this **Section 12** are not increased.

## **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 "**Indemnatee**," and collectively the "**Indemnitees**") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities

shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

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

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

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

(k) the sale or transfer of any of the ownership interests of the Developer without the prior written consent of the City;

(l) the assignment or other direct or indirect transfer of the Lease without the prior written approval of the City (which shall be in the City's sole discretion);

(m) a Default (as defined in the Lease) by the Developer under the Lease that is not cured within the cure period, if any, granted under the Lease, or the Developer's execution of a Material Amendment without the prior written approval of the City under **Section 8.23**; or

(n) the Developer has not delivered evidence satisfactory to the City of LEED Certification within the time period specified in **Section 8.24**.

For purposes of **Section 15.01(i)** hereof, a person with a material interest in the Developer shall be one owning in excess of 7.5% of the Developer's issued and outstanding shares of stock.

**15.02 Remedies.** Upon the occurrence of an Event of Default, the City may terminate this Agreement, the City Note, the Grant Agreement and any other related agreements to which the City and the Developer are or shall be parties, suspend disbursement of City Funds, suspend payments due on the City Note, place a lien on the United Space in the amount of City Funds paid, seek reimbursement of any City Funds paid and if the Event of Default concerns a breach of the Operations Covenant or the Jobs Covenant, then, in such cases, the City may seek such reimbursement through a demand under the Guaranty as set forth in this **Section 15.02** below. 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 damages, injunctive relief or the specific performance of the agreements contained herein. Upon the occurrence of an Event of Default under **Section 8.06**, the Developer shall be obligated to repay to the City all previously disbursed City Funds. In addition to other instances set forth in this Agreement, the City may make a demand under the Guaranty if the Developer defaults under the Jobs Covenant and/or Operating Covenants as set forth in **Section 8.06** subject, in the case of the Jobs Covenant, to the single cure period, if applicable, described in **Section 8.06(c)**.

Upon the occurrence of an Event of Default because of failure to comply with **Section 8.24, LEED Certification**, the City's sole remedy shall be the right to seek reimbursement of \$500,000 of City Funds, unless the Phase II Payment was reduced by \$500,000 due to anticipated failure to achieve LEED Certification as described in **Section 4.03(e)**. If the City has reduced the Phase II Payment as described in the preceding sentence, the City shall have no other remedy for the Developer's failure to achieve LEED Certification.

**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, except as described in the following paragraph, 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.

Notwithstanding any other provision of this Agreement to the contrary:

- (a) the only cure periods, if any, applicable to the Developer's failure to comply with the Jobs Covenant are those set forth in **Section 8.06**;
- (b) there shall be no notice requirement or cure period with respect to Events of Default described in **Section 15.01(n)** (with respect to LEED Certification); and
- (c) there shall be no notice requirement or cure period with respect to an Event of Default arising from the Developer's failure to comply with the Operating Covenant.

## 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 DCD.

(d) Notwithstanding the recordation of this Agreement, the City and Developer agree and acknowledge that this Agreement is not intended to bind and shall not bind (a) any portion of the Property other than the United Space, (b) the Landlord or the Landlord's successors, transferees and assigns in its or their capacity as landlord, or (c) tenants of the Property, in their capacity as tenants, other than Developer and their successors, transferees and assigns including any Approved Successor.

#### **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 Community Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Fax No. (312) 744-0759 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602 Fax No. (312) 744-8538
If to the Developer:	United Air Lines, Inc. UAL Corporation 77 West Wacker Drive Chicago, IL 60601 Fax No. (312) 997-8080 Attention: General Counsel and Vice President of Corporate Real Estate
With Copies To:	DLA Piper US LLP 203 North LaSalle Street, Suite 1900

Chicago, Illinois 60601  
Fax No. (312) 256-7500  
Attention: Andrew Scott

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 and/or the Bond Ordinance, if any, such ordinance(s) shall prevail and control.

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

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

**18.14 Approval.** Wherever this Agreement provides for the approval or consent of the City, DCD or the Commissioner, or any matter is to be to the City's, DCD'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, DCD 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 DCD 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's interest in this Agreement shall not be sold, assigned, or otherwise transferred in whole or in part unless authorized by an ordinance duly adopted by the City Council. Any Approved Successor to Developer's rights, duties and obligations under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to **Sections 8.19** (Real Estate Provisions) and **8.27** (Survival of Covenants) hereof, for the Term of the Agreement by executing and delivering to the City the Assumption Agreement and the deliveries required thereunder. 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 agree 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.

**UAL CORPORATION**

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

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

**UNITED AIR LINES, INC.**

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

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

**CITY OF CHICAGO**

By: Christine Raguso

Christine Raguso  
Acting Commissioner  
Department of Community Development

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

**UAL CORPORATION**

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

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

**Kathryn A. Mikells**  
**Executive Vice President and**  
**Chief Financial Officer**

**UNITED AIR LINES, INC.**

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

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

**Kathryn A. Mikells**  
**Executive Vice President and**  
**Chief Financial Officer**

**CITY OF CHICAGO**

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

Christine Raguso,  
Acting Commissioner  
Department of Community Development







**EXHIBIT A**  
**REDEVELOPMENT AREA**

5/9/2007

REPORTS OF COMMITTEES

104253

Kinzie Industrial Conservation:	not to exceed \$1,500,000
Midwest:	not to exceed \$750,000
Jefferson Park:	not to exceed \$750,000

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AUTHORIZATION FOR AMENDMENT OF ORDINANCE  
TO CORRECT LEGAL DESCRIPTION OF LA SALLE  
CENTRAL TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, May 9, 2007.

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

Your Committee on Finance, having had under consideration an ordinance authorizing an amendment to the LaSalle Central Tax Increment Financing Redevelopment Plan and Project, 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, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Brookins, Muñoz, Zalewski, Solis, Ocasio, Burnett, E. Smith, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, M. Smith, Moore, Stone -- 44.

*Nays* -- None.

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

The following is said ordinance as passed:

WHEREAS, On November 15, 2006, the City Council of the City of Chicago (the "City") adopted the following ordinances: An Ordinance Approving a Redevelopment Plan (the "Plan") for the LaSalle Central Redevelopment Project Area (the "Plan Ordinance"), published in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of November 15, 2006 at pages 92019 -- 92099; An Ordinance Designating the LaSalle Central Redevelopment Project Area a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act (the "Designation Ordinance"), published in the *Journal of November 15, 2006* at pages 92100 -- 92107; and An Ordinance Adopting Tax Increment Allocation Financing for the LaSalle Central Redevelopment Project Area (the "T.I.F. Ordinance"), published in the *Journal of November 15, 2006* at pages 92108 -- 92114 (collectively, such ordinances are hereinafter referred to as the "Original LaSalle Central Ordinances"); and

WHEREAS, On February 7, 2007, the City Council of the City of Chicago (the "City") adopted the following ordinance: An Ordinance Correcting Ordinances Related to Tax Allocation Financing for the LaSalle Central Redevelopment Project Area, published in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of February 7, 2007 at pages 97850 -- 97855 (the "Corrective Ordinance"; the Original LaSalle Central Ordinances, as amended by the Corrective Ordinance, the "Amended LaSalle Central Ordinances"); and

WHEREAS, The Amended LaSalle Central Ordinances each included exhibits showing the boundaries of the LaSalle Central Redevelopment Project Area (the "Area") by legal description and by street location, and a boundary map of the Area; and

WHEREAS, Said legal description subsequently was discovered to have contained an unintended, de minimis error in describing part of the eastern boundary of the Area; and

WHEREAS, The boundary description by street location and the boundary map correctly indicate the Area as it is intended to be described, and the Plan which

includes a list of only those parcels, identified by permanent index number, which are contained within the boundaries of the Area as described by street location and as shown in the boundary map; and

WHEREAS, When viewed together, the legal description, the boundary description by street location, the boundary map and the list of parcels in the Area fairly apprise the public and affected taxing districts of the property involved in the Plan, and the City desires to reform and correct the legal description to reflect the intended eastern boundary of the Area and not to alter the exterior boundaries of the Area; now, therefore,

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

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

SECTION 2. Amendment Of Prior Ordinances. The legal description in the following exhibits to the Amended LaSalle Central Ordinances:

(i) Exhibit C to the Plan Ordinance, published in the *Journal* of November 15, 2006 at pages 92095 -- 92098, as amended by the Corrective Ordinance published in the *Journal* of February 7, 2007 at pages 97852 -- 97855, which also constitutes (Sub)Appendix 1 to the Plan (attached as Exhibit A to the Plan Ordinance); and

(ii) Exhibit A to the Designation Ordinance, published in the *Journal* of November 15, 2006 at pages 92103 -- 92106, as amended by the Corrective Ordinance published in the *Journal* of February 7, 2007 at pages 97852 -- 97855; and

(iii) Exhibit A to the T.I.F. Ordinance, published in the *Journal* of November 15, 2006 at pages 92110 -- 92113, as amended by the Corrective Ordinance published in the *Journal* of February 7, 2007 at pages 97852 -- 97855,

is hereby reformed and corrected to reflect the intended eastern boundary of the Area by deleting the struck-through language and inserting the underscored language as set forth in Exhibit 1 to this ordinance.

SECTION 3. Invalidity Of Any Section. 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 remaining provisions of this ordinance.

SECTION 4. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

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

Exhibit 1 referred to in this ordinance reads as follows:

*Exhibit 1.*

*Corrected And Reformed Legal Description.*

That part of the south half of Section 9, together with that part of the north half of Section 16, Township 39 North, Range 14 East of the Third Principal Meridian all taken as a tract of land bounded and described as follows:

beginning at the point of intersection of the east line of Canal Street with the south line of Lake Street in the east half of the southwest quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, and running; thence east along said south line of Lake Street to the northerly extension of the east line of the 18 foot wide alley east of Canal Street; thence south along said northerly extension of the east line of the 18 foot wide alley east of Canal Street and the east line thereof to the north line of Randolph Street; thence west along said north line of Randolph Street to the east line of Canal Street; thence south along said east line of Canal Street to the easterly extension of the north line of the south 275.06 feet of Block 50 in the Original Town of Chicago in Section 9; thence west along said easterly extension of the north line of the south 275.06 feet of Block 50 in the Original Town of Chicago to the west line of Canal Street; thence south along said west line of Canal Street to the south line of Madison Street; thence east along said south line of Madison Street to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Calhoun Place; thence east along said south line of Calhoun Place to the west line of Franklin Street; thence south along said west line of Franklin Street to the north line of Monroe Street; thence west along said north line of Monroe Street to the northerly extension of the west line of the easterly 18 feet of Lot 2 in Block 82 of School Section Addition to Chicago in Section 16; thence south along said northerly extension of the west line of the easterly 18 feet of Lot 2 in Block 82 and the west line hereof to the south line of said Lot 2; thence west along said south line of Lot 2 in Block 82 and the westerly extension thereof to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the north line of Monroe Street; thence west along said north line of Monroe Street to the west line of the south branch of the Chicago River; thence south along said west line of the south branch of the Chicago River to the north line of Lot 4 in Railroad Companies' Resubdivision of Blocks 62 to 76 inclusive, 78,

parts of 61 and 71, and certain vacated streets and alleys in School Section Addition to Chicago in Section 16; thence west along said north line of Lot 4 to the westerly line thereof; thence southeasterly along said westerly line of Lot 4 to the southwesterly corner thereof; thence southeasterly along a straight line to the northwesterly corner of Lot 5 in said Railroad Companies' Resubdivision in Section 16; thence southeasterly along the westerly line of said Lot 5 to an angle point on said westerly line; thence southeasterly along said westerly line of Lot 5 to a point on said westerly line, said point lying 121.21 feet northwesterly of the southwesterly corner of Lot 5; thence east along a straight line parallel with and 121.21 feet north of the south line of said Lot 5 to the westerly line of the south branch of the Chicago River; thence southeasterly along said westerly line of the south branch of the Chicago River to the north line of Jackson Boulevard; thence south along a straight line to the south line of Jackson Boulevard; thence west along said south line of Jackson Boulevard to the east line of Canal Street; thence south along said east line of Canal Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Jackson Boulevard; thence east along said south line of Jackson Boulevard to the west line of Franklin Street; thence south along said west line of Franklin Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the northerly extension of the east line of the 12 foot wide alley east of Wells Street; thence south along said northerly extension of the east line of the 12 foot wide alley east of Wells Street to the south line of Van Buren Street; thence east along said south line of Van Buren Street to the west line of LaSalle Street; thence north along the northerly extension of the west line of LaSalle Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the east line of Clark Street; thence north along said east line of Clark Street to the south line of Adams Street; thence east along said south line of Adams Street to the west line of Dearborn Street; thence north along said west line of Dearborn Street to the easterly extension of the north line of the 18 foot wide alley south of Monroe Street; thence east along said easterly extension of the north line of the 18 foot wide alley south of Monroe Street and the north line thereof to a point on a line 130 feet west of and parallel with the west line of South State Street the east line of the west half of Lot 3 in Block 141 in School Section Addition to Chicago in Section 16; thence north along said parallel east line of the west half of Lot 3 to the south line of Monroe Street; thence west along said south line of Monroe Street to the southerly extension of the west line of the most westerly 15 foot wide alley east of Dearborn Street; thence north along said southerly extension of the west line of the most westerly 15 foot wide alley east of Dearborn Street and the west line thereof to the south line of the 15 foot wide alley north of Monroe Street; thence west along said south line of the 15 foot wide alley north of Monroe Street and the westerly extension thereof to the west line of Dearborn Street; thence south along said west line of Dearborn Street to the north line of Monroe Street; thence west along said north line of Monroe Street to the east line of Lot 21 in Assessor's Division of Block 118 of School

Section Addition in Section 16; thence north along the said east line of said Lot 21 and the northerly extension thereof to the south line of Lot 33 in said Assessor's Division of Block 118 of School Section Addition in Section 16; thence west along said south line of Lot 33 to the west line thereof; thence north along said west line of Lot 33 to the south line of Lot 14 in Assessor's Division of Block 118 of School Section Addition in Section 16; thence west along said south line of Lot 14 to the east line of the 10 foot wide alley west of Clark Street; thence north along said east line of the 10 foot wide alley west of Clark Street and the northerly extension thereof to the north line of Madison Street; thence west along said north line of Madison Street to the east line of the 9 foot wide alley west of Clark Street; thence north along said east line of the 9 foot wide alley west of Clark Street to the south line of the 18 foot wide alley south of Washington Street; thence north along a straight line to the southeast corner of the parcel of land bearing Permanent Index Number 17-9-459-001; thence north along the east line of the parcel of land bearing Permanent Index Number 17-9-459-001 to the south line of Washington Street; thence east along said south line of Washington Street to the east line of Clark Street; thence north along said east line of Clark Street to the south line of Randolph Street; thence west along said south line of Randolph Street to the west line of Clark Street; thence north along said west line of Clark Street to the north line of Randolph Street; thence west along said north line of Randolph Street to the east line of LaSalle Street; thence south along said east line of LaSalle Street to the easterly extension of the south line of Court Place; thence west along said easterly extension of the south line of Court Place and the south line thereof to the west line of Wells Street; thence south along said west line of Wells Street to the north line of Washington Street; thence west along said north line of Washington Street to the east line of Franklin Street; thence north along said east line of Franklin Street to the centerline of vacated court place; thence east along said centerline of vacated Court Place to the southerly extension of the east line of Lot 2 in Block 41 in the Original Town of Chicago in the southeast quarter of Section 9; thence north along said southerly extension of the east line of Lot 2 in Block 41 and the east line thereof to the south line of Randolph Street; thence west along said south line of Randolph Street to the southerly extension of the west line of the easterly 20 feet of Lot 7 in Block 31 in the Original Town of Chicago in Section 9; thence north along said southerly extension of the west line of the easterly 20 feet of Lot 7 and the west line thereof to the south line of Couch Place; thence north along the northerly extension of the west line of the easterly 20 feet of Lot 7 to the north line of Couch Place; thence west along said north line of Couch Place to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Lake Street; thence northeasterly along a straight line to the intersection of the north line of Lake Street with the easterly line of Wacker Drive; thence west along said north line of lake street to the westerly line of the north branch of the Chicago River; thence northwesterly along said westerly line of the north branch of the Chicago River to an angle point on said westerly line, said point being also the northeast corner of Lot 1 in Block 22 in the Original Town of Chicago in Section 9; thence west along the

north line of said Lot 1 in Block 22 to a point, said point being also a point on the westerly line of the north branch of the Chicago River; thence northwesterly along said westerly line of the north branch of the Chicago River to the north line of that tract of land vacated in Document Number 5507199, recorded October 6, 1914; thence west along said north line of that tract of land vacated in Document Number 5507199, a distance of 21.26 feet to a point on said north line; thence northwesterly along the easterly line of the parcel of land bearing Permanent Index Number 17-9-306-014 to a point of curvature on said easterly line; thence northwesterly along the arc of curve, said curve being concave to the northeast and having a radius of 600 feet, to the east line of Canal Street; thence south along said east line of Canal Street to the south line of Lake Street, being also the point of beginning the heretofore described tract of land, all in Cook County, Illinois.

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DESIGNATION OF CENTERPOINT PROPERTIES TRUST AS  
PROJECT DEVELOPER, AUTHORIZATION FOR EXECUTION  
OF REDEVELOPMENT AGREEMENT AND PAYMENT  
OF CERTAIN INCREMENTAL TAXES FOR  
REDEVELOPMENT OF PROPERTY AT  
4201 WEST VICTORIA STREET.

The Committee on Finance submitted the following report:

CHICAGO, May 9, 2007.

*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 CenterPoint Properties Trust, 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.

**EXHIBIT B**

**PROPERTY**

PIN: 17-16-216-009-0000

Parcel 1: LOTS 1 THROUGH 12, BOTH INCLUSIVE, AND ALL OF VACATED QUINCY STREET LYING SOUTH OF AND ADJOINING SAID LOTS 1 THROUGH 6 AND LYING WEST OF AND ADJOINING THE EAST LINE OF SAID LOT 1 EXTENDED SOUTH TO THE EAST LINE OF LOT 12 AND LYING EAST OF AND ADJOINING THE WEST LINE OF SAID LOT 6 EXTENDED SOUTH TO THE WEST LINE OF LOT 7 IN PEARSON'S SUBDIVISION OF BLOCK 83 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Parcel 2: EASEMENTS IN FAVOR OF PARCEL 1 AS CREATED BY DEED OF EASEMENT DATED JULY 2, 1990 AND RECORDED JULY 2, 1990 AS DOCUMENT NUMBER 90314601, AND AMENDED BY FIRST AMENDMENT DATED AS OF JUNE 20, 1994 AND RECORDED JULY 18, 1994 AS DOCUMENT NUMBER 94622663, AND FURTHER AMENDED BY SECOND AMENDMENT TO DEED OF EASEMENT DATED AUGUST 26, 2003 AND RECORDED AUGUST 29, 2003 AS DOCUMENT NUMBER 0324145112 ON, OVER AND ACROSS THE FOLLOWING DESCRIBED PROPERTY: THAT PART OF BLOCK 92 LYING NORTH OF THE NORTH LINE OF WEST QUINCY STREET IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

233 <sup>South</sup> Wacker Dr.  
Chicago, IL

**EXHIBIT C-1**

TIF-FUNDED IMPROVEMENTS, VERSION A

Costs of Rehabilitation (Option A):

	<b>Total Cost</b>	<b>Phase I Cost</b>	<b>Phase II Cost</b>
<b>Hard Costs</b>			
Electrical	\$11,960,000	\$5,142,800	\$6,817,200
HVAC	\$4,140,000	\$1,780,200	\$2,359,800
Plumbing and Fire Protection	\$3,680,000	\$1,582,400	\$2,097,600
Drywall & Ceiling Systems	\$5,520,000	\$2,373,600	\$3,146,400
Millwork, Doors & Glass	\$5,980,000	\$2,571,400	\$3,408,600
Flooring and Finishes	\$5,520,000	\$2,373,600	\$3,146,400
Security System	\$1,840,000	\$791,200	\$1,048,800
Audio Visual Infrastructure	\$899,300	\$386,699	\$512,601
<b>Total Hard Costs</b>	<b>\$39,539,300</b>	<b>\$17,001,899</b>	<b>\$22,537,401</b>
<b>Soft Costs</b>			
Architecture/Engineering	\$2,999,200	\$1,289,656	\$1,709,544
Project Management	\$805,000	\$346,150	\$458,850
<b>Total Soft Costs</b>	<b>\$3,804,200</b>	<b>\$1,635,806</b>	<b>\$2,168,394</b>
<b>Total Hard and Soft Costs</b>	<b>\$43,343,500</b>	<b>\$18,637,705</b>	<b>\$24,705,795</b>

Note: Notwithstanding the total dollar amount of TIF-Funded Improvements listed above, the financial assistance to be provided by the City under this Agreement is limited to \$24,389,768 subject to adjustment as provided in **Section 4.03**.

**EXHIBIT C-2**

**TIF-FUNDED IMPROVEMENTS, VERSION B**

**Costs of Rehabilitation (Version B):**

	<b>Total Cost</b>	<b>Phase I Cost</b>	<b>Phase II Cost</b>
<b>Hard Costs</b>			
Electrical	\$10,660,000	\$5,142,800	\$5,517,200
HVAC	\$3,690,000	\$1,780,200	\$1,909,800
Plumbing and Fire Protection	\$3,280,000	\$1,582,400	\$1,697,600
Drywall & Ceiling Systems	\$4,920,000	\$2,373,600	\$2,546,400
Millwork, Doors & Glass	\$5,330,000	\$2,571,400	\$2,758,600
Flooring and Finishes	\$4,920,000	\$2,373,600	\$2,546,400
Security System	\$1,640,000	\$791,200	\$848,800
Audio Visual Infrastructure	\$801,550	\$386,699	\$414,851
<b>Total Hard Costs</b>	<b>\$35,241,550</b>	<b>\$17,001,899</b>	<b>\$18,239,651</b>
<b>Soft Costs</b>			
Architecture/Engineering	\$2,673,200	\$1,289,656	\$1,383,544
Project Management	\$717,500	\$346,150	\$371,350
<b>Total Soft Costs</b>	<b>\$3,390,700</b>	<b>\$1,635,806</b>	<b>\$1,754,894</b>
<b>Total Hard and Soft Costs</b>	<b>\$38,632,250</b>	<b>\$18,637,705</b>	<b>\$19,994,545</b>

Note: Notwithstanding the total dollar amount of TIF-Funded Improvements listed above, the financial assistance to be provided by the City under this Agreement is limited to \$24,389,768 subject to adjustment as provided in **Section 4.03**.

**EXHIBIT D**

**REDEVELOPMENT PLAN**

[Not attached for Recording purposes.]

**EXHIBIT E**

**CONSTRUCTION CONTRACT**

[Not attached for Recording purposes.]

**EXHIBIT F**

**GUARANTY**

[Not attached for Recording purposes.]

## 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: None.

**EXHIBIT H-1A**

**PROJECT BUDGET, VERSION A**

**Version A:**

<b>Uses</b>	<b>Total Amount</b>	<b>Phase I Amount</b>	<b>Phase II Amount</b>
<b>Hard Costs</b>			
Electrical	\$11,960,000	\$5,142,800	\$6,817,200
HVAC	\$4,140,000	\$1,780,200	\$2,359,800
Plumbing and Fire Protection	\$3,680,000	\$1,582,400	\$2,097,600
Drywall & Ceiling Systems	\$5,520,000	\$2,373,600	\$3,146,400
Millwork, Doors & Glass	\$5,980,000	\$2,571,400	\$3,408,600
Flooring and Finishes	\$5,520,000	\$2,373,600	\$3,146,400
Security System	\$1,840,000	\$791,200	\$1,048,800
Audio Visual Infrastructure	\$899,300	\$386,699	\$512,601
<b>Total Hard Costs</b>	<b>\$39,539,300</b>	<b>\$17,001,899</b>	<b>\$22,537,401</b>
<b>Soft Costs</b>			
Architecture/Engineering	\$2,999,200	\$1,289,656	\$1,709,544
Project Management	\$805,000	\$346,150	\$458,850
LEED Certification – Implementation	\$248,400	\$106,812	\$141,588
IT Consultant	\$349,600	\$150,328	\$199,272
<b>Total Soft Costs</b>	<b>\$4,402,200</b>	<b>\$1,892,946</b>	<b>\$2,509,254</b>
<b>Audio Visual Equipment</b>	<b>\$899,300</b>	<b>\$386,699</b>	<b>\$512,601</b>
Tele Data Equipment	\$2,300,000	\$989,000	\$1,311,000
IT Equipment and Installation (servers, laptops, desktops, etc.)	\$12,000,000	\$5,160,000	\$6,840,000
Furniture, Fixtures, Equipment	\$11,625,850	\$4,999,116	\$6,626,735
Signage	\$100,000	\$43,000	\$57,000
Relocation	\$920,000	\$395,600	\$524,400
<b>Total Project Costs</b>	<b>\$71,786,650</b>	<b>\$30,868,260</b>	<b>\$40,918,391</b>

**EXHIBIT H-1B**

**PROJECT BUDGET, VERSION B**

**Version B:**

<b>Uses</b>	<b>Total Amount</b>	<b>Phase I Amount</b>	<b>Phase II Amount</b>
<b>Hard Costs</b>			
Electrical	\$10,660,000	\$5,142,800	\$5,517,200
HVAC	\$3,690,000	\$1,780,200	\$1,909,800
Plumbing and Fire Protection	\$3,280,000	\$1,582,400	\$1,697,600
Drywall & Ceiling Systems	\$4,920,000	\$2,373,600	\$2,546,400
Millwork, Doors & Glass	\$5,330,000	\$2,571,400	\$2,758,600
Flooring and Finishes	\$4,920,000	\$2,373,600	\$2,546,400
Security System	\$1,640,000	\$791,200	\$848,800
Audio Visual Infrastructure	\$801,550	\$386,699	\$414,851
<b>Total Hard Costs</b>	<b>\$35,241,550</b>	<b>\$17,001,899</b>	<b>\$18,239,651</b>
<b>Soft Costs</b>			
Architecture/Engineering	\$2,673,200	\$1,289,656	\$1,383,544
Project Management	\$717,500	\$346,150	\$371,350
LEED Certification – Implementation	\$221,400	\$106,812	\$114,588
IT Consultant	\$311,600	\$150,328	\$161,272
<b>Total Soft Costs</b>	<b>\$3,923,700</b>	<b>\$1,892,946</b>	<b>\$2,030,754</b>
<b>Audio Visual Equipment</b>	<b>\$801,550</b>	<b>\$386,699</b>	<b>\$414,851</b>
Tele Data Equipment	\$2,050,000	\$989,000	\$1,061,000
IT Equipment and Installation (servers, laptops, desktops, etc.)	\$10,695,652	\$5,160,000	\$5,535,652
Furniture, Fixtures, Equipment	\$10,362,171	\$4,999,116	\$5,363,055
Signage	\$100,000	\$43,000	\$57,000
Relocation	\$820,000	\$395,600	\$424,400
<b>Total Project Costs</b>	<b>\$63,994,623</b>	<b>\$30,868,260</b>	<b>\$33,126,363</b>

**EXHIBIT H-2A**

**MBE/WBE BUDGET, VERSION A**

**Version A:**

<b>Uses</b>	<b>Total Amount</b>	<b>Phase I Amount</b>	<b>Phase II Amount</b>
<b>Hard Costs</b>			
Electrical	\$11,960,000	\$5,142,800	\$6,817,200
HVAC	\$4,140,000	\$1,780,200	\$2,359,800
Plumbing and Fire Protection	\$3,680,000	\$1,582,400	\$2,097,600
Drywall & Ceiling Systems	\$5,520,000	\$2,373,600	\$3,146,400
Millwork, Doors & Glass	\$5,980,000	\$2,571,400	\$3,408,600
Flooring and Finishes	\$5,520,000	\$2,373,600	\$3,146,400
<b>Total Hard Costs</b>	<b>\$36,800,000</b>	<b>\$15,824,000</b>	<b>\$20,976,000</b>
<b>Soft Costs</b>			
Architecture/Engineering	\$2,999,200	\$1,289,656	\$1,709,544
LEED Certification – Implementation	\$248,400	\$106,812	\$141,588
<b>Total Soft Costs</b>	<b>\$3,247,600</b>	<b>\$1,396,468</b>	<b>\$1,851,132</b>
Tele Data Equipment Installation	\$920,000	\$395,600	\$524,400
Furniture, Fixtures, Equipment Installation	\$500,000	\$215,000	\$285,000
Signage	\$100,000	\$43,000	\$57,000
<b>Total Project Costs</b>	<b>\$41,567,600</b>	<b>\$17,874,068</b>	<b>\$23,693,532</b>

**MBE/WBE EXPENDITURE GOAL\***

	<b>Total Amount</b>	<b>Phase I Amount</b>	<b>Phase II Amount</b>
MBE (24%)	\$9,976,224	\$4,289,776	\$5,686,448
WBE (4%)	\$1,662,704	\$714,963	\$947,741

\*With respect to the MBE/WBE Expenditure Goal, the Developer may reduce the Phase II Amount by the amount actually expended by Developer in Phase I that is in excess of the Phase I Amount so long as the Total Amount expended at the conclusion of Phase II equals or exceeds the amount specified in this Exhibit.

**EXHIBIT H-2B**

**MBE/WBE BUDGET, VERSION B**

**Version B:**

<b>Uses</b>	<b>Total Amount</b>	<b>Phase I Amount</b>	<b>Phase II Amount</b>
<b>Hard Costs</b>			
Electrical	\$10,660,000	\$5,142,800	\$5,517,200
HVAC	\$3,690,000	\$1,780,200	\$1,909,800
Plumbing and Fire Protection	\$3,280,000	\$1,582,400	\$1,697,600
Drywall & Ceiling Systems	\$4,920,000	\$2,373,600	\$2,546,400
Millwork, Doors & Glass	\$5,330,000	\$2,571,400	\$2,758,600
Flooring and Finishes	\$4,920,000	\$2,373,600	\$2,546,400
<b>Total Hard Costs</b>	<b>\$32,800,000</b>	<b>\$15,824,000</b>	<b>\$16,976,000</b>
<b>Soft Costs</b>			
Architecture/Engineering	\$2,673,200	\$1,289,656	\$1,383,544
LEED Certification - Implementation	\$221,400	\$106,812	\$114,588
<b>Total Soft Costs</b>	<b>\$2,894,600</b>	<b>\$1,396,468</b>	<b>\$1,498,132</b>
Tele Data Equipment Installation	\$820,000	\$395,600	\$424,400
Furniture, Fixtures, Equipment Installation	\$445,652	\$215,000	\$230,652
Signage	\$100,000	\$43,000	\$57,000
<b>Total Project Costs</b>	<b>\$37,060,252</b>	<b>\$17,874,068</b>	<b>\$19,186,184</b>

**MBE/WBE EXPENDITURE GOAL\***

	<b>Total Amount</b>	<b>Phase I Amount</b>	<b>Phase II Amount</b>
MBE (24%)	\$8,894,461	\$4,289,776	\$4,604,684
WBE (4%)	\$1,482,410	\$714,963	\$767,447

\*With respect to the MBE/WBE Expenditure Goal, the Developer may reduce the Phase II Amount by the amount actually expended by Developer in Phase I that is in excess of the Phase I Amount so long as the Total Amount expended at the conclusion of Phase II equals or exceeds the amount specified in this Exhibit.

**EXHIBIT I**

**APPROVED PRIOR EXPENDITURES**

**[NOT APPLICABLE]**

**EXHIBIT J**

**OPINION OF DEVELOPER'S COUNSEL**

[Not attached for Recording purposes.]

**EXHIBIT K**  
**REQUISITION FORM**

[Not attached for Recording purposes.]

**EXHIBIT L**

**FORM OF NOTICE OF PROPOSED SUCCESSOR**

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

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

Re: Notice of Proposed Successor  
United Redevelopment Agreement

Dear Commissioner:

This letter is written pursuant to the United Air Lines Redevelopment Agreement dated as of \_\_\_\_\_, 20\_\_ (the "**Agreement**") and constitutes the written notice of UAL Corporation and United Air Lines, Inc. (collectively, the "**Developer**") of an impending [merger] [consolidation] [reorganization][asset sale](the "**Transaction**") involving Developer and [INSERT NAME OF PROPOSED SUCCESSOR] (the "**Proposed Successor**"). Upon the completion of such Transaction, the Proposed Successor shall have succeeded to all or a majority of the business or assets, or both, of Developer. A summary of the principal terms of the proposed Transaction, as contained in information available in publicly-available filings, is attached hereto as Schedule 1. The Developer acknowledged that the Developer's sale, assignment and transfer to the Proposed Successor of its obligations and duties under the Agreements (as defined in the Assumption Agreement) pursuant to the proposed Transaction and the Proposed Successor's assumption of all of the Developer's obligations and duties under the Agreements (as defined in the Assumption Agreement) shall not occur unless authorized by an ordinance duly adopted by the City Council.

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

Sincerely yours,

**UAL CORPORATION**

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

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

**UNITED AIR LINES, INC.**

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

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

**Schedule 1 to Exhibit L**

**[Attach Summary of Principal Terms]**

**Schedule 2 to Exhibit L**

**[FORM OF ASSUMPTION AGREEMENT]**

THIS DOCUMENT PREPARED  
BY AND AFTER RECORDING  
SHOULD BE SENT TO:

[Counsel to Proposed Successor]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Assumption Agreement

This Assumption Agreement (the "**Agreement**") is made as of \_\_\_\_\_, 20\_\_\_\_, and is entered into by and among UAL Corporation, a Delaware corporation ("**UAL**"), United Air Lines, Inc., a Delaware corporation ("**United**", together with UAL, collectively, the "**Developer**"), [NAME OF PROPOSED SUCCESSOR] (the "**Purchaser**") and the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Community Development.

RECITALS

A. The Developer and the City have entered into a United Air Lines Redevelopment Agreement dated as of \_\_\_\_\_, 20\_\_ and recorded with the Cook County Recorder of Deeds on \_\_\_\_\_, 20\_\_ as Document No. \_\_\_\_\_ (the "**RDA**") pursuant to which the City agreed, subject to the terms and conditions in the RDA, to provide financing to assist the Developer in completing the redevelopment of the Project, which is located on the property legally described on Exhibit A attached hereto and made a part hereof (the "**Property**"). Capitalized terms not otherwise defined in this Agreement shall have the meanings given them in the RDA.

B. The Developer and the Purchaser have entered into that certain [TITLE OF AGREEMENT WITH PROPOSED SUCCESSOR], dated as of \_\_\_\_\_, 20\_\_ (the "**Purchase Agreement**") pursuant to which the Purchaser will consummate a [merger] [consolidation] [reorganization][asset sale](the "**Transaction**") involving the Developer and the Purchaser and pursuant to which the Purchaser shall succeed to the Lease, the RDA, the Grant Agreement or all or a majority of the business or assets, or both, of Developer. A summary of the principal terms of the proposed Transaction is attached hereto as Exhibit B.

C. Pursuant to Section 8.01(j), Section 8.26 and/or Section 18.15 of the RDA, the Developer's sale, assignment and transfer to the Purchaser of its rights, obligations and duties under the Agreements (as defined below) pursuant to the Transaction and the Purchaser's assumption of all of the Developer's rights, obligations and duties under the Agreements shall not occur unless authorized by an ordinance duly adopted by the City Council.

D. Pursuant to the Purchase Agreement, the Developer intends to sell, assign and transfer to Purchaser its rights, obligations and duties under the Agreements; Purchaser has read and understands the Agreements and desires to assume all of the Developer's rights, obligations and duties under the Agreements upon the date of Closing (as defined in the Purchase Agreement), and pursuant to **Section 8.01(j)**, **Section 8.26** and **Section 18.15** of the RDA, the Developer and the Purchaser desire to receive the City's written consent for this assignment and assumption **[NOTE: if Purchase Agreement does not contain an assignment of the Agreements by the Developer, then this provision must be added to this Assumption Agreement]**.

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

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

2. **Consent.** In accordance with **Section 8.01(j)**, **Section 8.26** and **Section 18.15** of the RDA and pursuant to an ordinance duly adopted by City Council, the City hereby grants its consent to the Developer's sale, assignment and transfer to the Purchaser of its rights, obligations and duties under the Agreements and the Purchaser's assumption of all of the Developer's rights, obligations and duties under the Agreements, in each case pursuant to the Purchase Agreement and subject to the covenants and agreements in this Agreement.

3. **No Effect on Recording Priority of RDA.** The parties agree that entering into and recording this Agreement shall have no effect on the recording priority of the RDA and that this Agreement shall relate back to the dates that the RDA was originally recorded in the land title records of Cook County, Illinois.

4. **No Change in Defined Terms.** All capitalized terms not otherwise defined herein, shall have the same meanings as set forth in the RDA.

5. **Amendment to RDA.** The RDA is hereby amended to provide that an "Event of Default" shall include the failure by the Purchaser or Developer to satisfy the covenants contained in this Agreement, and that no notice or cure period shall apply to the failure to satisfy the covenants described in Section 9 (Recording and Filing) or Section 19 (Release) of this Agreement, notwithstanding any contrary language in the RDA. All other provisions and terms of the RDA shall remain unchanged.

6. **Authority.** Each of the Developer and Purchaser represents and warrants that: (a) such party has the right, power and authority to enter into, execute, deliver and perform this Agreement and the person executing this Agreement on behalf of such party is duly authorized to execute this Agreement on behalf of such party; and (b) the execution, delivery and performance by such party of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Articles of Organization or Operating Agreement, Limited Partnership Agreement or other organizational or governing documents, any applicable provision of law, or constitute a breach of, default under or require the consent under any agreement, instrument or document to which such party is now a party or by which such party is now or may become bound.

7. Representations and Warranties of the Developer. The Developer represents and warranties that it is not in default with respect to any provision of the RDA. The Developer acknowledges and agrees that, notwithstanding any other terms or provisions of this Agreement to the contrary, the Developer shall remain liable for all of its obligations and liabilities under the RDA.

8. Representations, Warranties and Covenants of the Purchaser. The Purchaser represents, warrants and covenants as follows:

(a) it has received and reviewed a true, correct and complete copy of the RDA, the Grant Agreement, the Guaranty, the Redevelopment Plan and the related agreements (collectively, the "**Agreements**");

(b) it acknowledges and agrees that upon the date of Closing and throughout the Term of the RDA (or such other period specified in the Agreements) it shall be bound by, and Purchaser hereby covenants to assume and comply with, the terms, conditions, covenants, duties, obligations, representations and warranties set forth in the Agreements which, by their terms, are binding upon Developer including, without limitation, by delivering a substitute Guaranty in form and substance satisfactory to the City in its sole and absolute discretion; provided, however, that the Purchaser acknowledges that it is not entitled to receive any City Funds pursuant to the Agreements or this Assumption Agreement;

(c) neither the Purchaser, nor any affiliate person or entity controlling, controlled by or under common control with the Purchaser, nor any person identified in the organizational chart depicting the Purchaser's ownership being delivered to the City simultaneously herewith<sup>1</sup> (the "**Successor Parties**"), is (i) in violation of any City laws, regulations and requirements including, without limitation, any "anti-scofflaw" laws); (ii) in default under any other written agreements between any such person or entity and the City, or (iii) delinquent in the payment of any amounts due to the City;

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

(e) the Purchaser (i) leases and occupies at least 450,000 square feet of office space in the Building, (ii) uses such space in the Building for the operational center headquarters of the Purchaser and its Affiliates, and (iii) has at least the required number of FTEs at the Building, in each case in accordance with the terms of the Agreements; and

(f) the Purchaser has delivered to the City each of the following:

(i) Economic Disclosure Statement & Affidavit forms (or recertifications thereof)("Disclosure Forms") executed by the Successor Parties and, if applicable, such additional Disclosure Forms as may be required by applicable ordinances, rules and regulations in effect on the closing date of the Transaction;

(ii) certificates executed by authorized representatives of the Successor Parties attaching and certifying, as applicable, as to (a) organizational documents and bylaws or operating agreement certified, as applicable, by the Secretary of State of the State of organization, (b) evidence of the authority of each Successor Party to assume the

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<sup>1</sup> If the Purchaser is a publicly-traded entity, such chart need only identify legal entities that own 7.5% or more of such entity's ownership interests, and the certification in clause (c) shall only apply to such 7.5% owners.

obligations under the Agreements to which it will become a party, and (c) incumbency and signatures of the individuals authorized to sign on behalf of each Successor Party;

(iii) an opinion of the counsel to the Purchaser opining as to the authority of each Successor Party to enter into or assume the Agreements, the due execution and enforceability thereof, and such other applicable matters as may be required by the City; and

(iv) such other documents, agreements, instruments, certificates and affidavits as the City may require pursuant to all federal, state or local statutes, laws, regulations, ordinances, executive orders, codes, rules, orders, licenses, judgments, decrees or requirements.

9. Recording and Filing. The Developer shall cause this Agreement and all amendments and supplements hereto to be recorded and filed against the Property (legally described on Exhibit A hereto) on or before the date of Closing in the conveyance and real property records of the county in which the Property is located. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

10. Limitation of Liability. No member, official or employee of the City shall be personally liable to any party to this Agreement or any successor in interest in the event of any default or breach by the City or any successor in interest under the terms of this Agreement or the RDA.

11. 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.

12. 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.

13. Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the RDA, the provisions of this Agreement shall control.

14. 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.

15. 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.

16. Notice. Unless otherwise specified, any notice, demand or request required under the RDA or this Agreement shall be given in writing in the manner specified in the RDA (a) to the Purchaser, at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Fax No. \_\_\_\_\_, Attention: \_\_\_\_\_, and (b) to any other party, at the addresses set forth in the RDA.

17. Binding Effect. This Agreement shall be binding upon the Developer, Purchaser, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, Purchaser, the City and their respective successors and permitted assigns (as provided herein).

18. No Business Relationship with City Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, 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 official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion of 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. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to the Agreement, or in connection with the transactions contemplated thereby, shall be grounds for termination of the Agreement and the transactions contemplated thereby. Each of the Developer and Purchaser 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 thereby.

19. Release. If the Purchase Agreement is amended without the prior written consent of the City or if the Transaction pursuant to the Purchase Agreement does not occur and the Purchase Agreement is terminated, the Developer shall within five business days after such amendment or termination prepare and deliver to each of the parties to this Agreement a document to be executed by each such party which shall nullify this Agreement and restore the RDA to the form existing prior to the date hereof as if this Agreement had never been executed. Within five business days after receiving the City's signature to such document, such document shall be recorded by the Developer at the Developer's expense and the Developer shall provide the City a copy therefore showing the date and recording number of record.

[PROPOSED SUCCESSOR]

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

UAL CORPORATION

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

UNITED AIR LINES, INC.

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

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Commissioner

[Add Notary blocks]

**Exhibit A to Assumption Agreement**

**Legal Description of the Property**

Attached.

**EXHIBIT M**  
**FORM OF PAYMENT BOND**  
[Not Applicable]

**EXHIBIT N**

**Jobs and Occupancy Certificate**

[to be retyped on letterhead of Developer]

\_\_\_\_\_, 20\_\_\_\_

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

Re: Jobs and Occupancy Certificate  
United Air Lines Redevelopment Agreement

Dear Commissioner:

This Certificate is delivered pursuant to the United Air Lines Redevelopment Agreement dated as of \_\_\_\_\_, 20\_\_ (the "**Agreement**") and constitutes the Jobs Certificate of the Developer for the period ended \_\_\_\_\_, \_\_\_\_\_ [add month, day and year]. The undersigned certifies that (a) the Developer continues to maintain its Operational Headquarters at the Building and to lease and occupy at least the minimum square footage at the Building as set forth in **Section 8.06(a)** of the Agreement, (b) each of the individuals listed in the chart below is a Full Time Equivalent Employee of the Developer. Capitalized terms used without definition in this Certificate have the meanings given them in the Agreement.

Sincerely yours,

**UAL CORPORATION**

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

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

**UNITED AIR LINES, INC.**

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

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

**Full Time Equivalent Employees as of \_\_\_\_\_, 20\_\_**

Employee Name (Last, First)	Number of months employed at the United Space during the year	On the payroll for work done at the United Space? (Y or N)	Work hours total at least 35 per week? [if less than 35 hours but counts as job share, indicate with "JS"] (Y or N)	Work hours total at least 1750 during the year [alternatively, list starting date at the United Space if date occurred within prior year] (Y or N)	Independent contractor, third-party service provider, consultant, or ancillary services employee? (Y or N)	Job title

**Note:** no more than five percent (5%) of the FTEs may consist of job shares or similar work arrangements.

**EXHIBIT O**

FORM OF CITY NOTE

REGISTERED  
NO. R-1

MAXIMUM AMOUNT  
\$24,389,768.00

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO

**TAX INCREMENT ALLOCATION REVENUE NOTE (UNITED AIR LINES REDEVELOPMENT  
PROJECT), TAXABLE SERIES A**

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

Interest Rate: \_\_\_\_ per annum

Maturity Date: \_\_\_\_\_, \_\_\_\_\_ [eight years from issuance date]

**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 \$ \_\_\_\_\_ 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. Principal of and interest on this Note from the Available Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due \_\_\_\_\_ of each year 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 \$\_\_\_\_\_ for the purpose of paying the costs of certain eligible redevelopment project costs incurred by the Registered Owner in connection with the development of an operational center headquarters (the "Project") in the LaSalle Central Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on \_\_\_\_\_, \_\_\_\_ (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 SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL 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 dated as of \_\_\_\_\_, \_\_\_\_ between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to develop the Project and to advance funds for rehabilitation related to the Project on behalf of the City. The cost of such rehabilitation in the amount of \$ \_\_\_\_\_ 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 terminate payments of principal and of interest on this Note upon the occurrence of certain conditions, and, pursuant to Section 13.02 of the Redevelopment Agreement, the City has reserved the right to offset liquidated damage amounts owed to the City against the principal amount outstanding under this Note. 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 INTENTIONALLY LEFT 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 \_\_\_\_\_, \_\_\_\_.

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 (United Air Lines Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller  
Date:

**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 attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

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

Signature Guaranteed:

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

Consented to by:

CITY OF CHICAGO  
DEPARTMENT OF COMMUNITY DEVELOPMENT

BY:

ITS:

CERTIFICATION OF EXPENDITURE

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
\$ \_\_\_\_\_ Tax Increment Allocation Revenue Note  
(United Air Lines Redevelopment Project, Taxable Series A)  
(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 \_\_\_\_\_, (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 (Closing Date).

CITY OF CHICAGO

By:  
Acting Commissioner  
Department of Community Development

AUTHENTICATED BY:

REGISTRAR

**EXHIBIT P**

**SURVEY**

[Not attached for Recording purposes.]