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Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 06/05/2014 04:04 PM Pg: 1 of 114

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

1525 HP, LLC REDEVELOPMENT AGREEMENT

This 1525 HP, LLC Redevelopment Agreement (this "Agreement") is made as of this
5th day of June, 2014, by and between the City of Chicago, an Illinois municipal
corporation (the "City"), through its Department of Planning and Development ("DPD"), and
1525 HP, LLC, an Indiana limited liability company qualified to do business in Illinois (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.

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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, 2012: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 51st and Lake Park Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 51st and Lake Park 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 51st and Lake Park 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 Property. The development site is located in the Redevelopment Area, consists of two parcels at the southwest corner of Hyde Park Boulevard (51st Street) and Lake Park Avenue with total land area of 2.08 acres, and is legally described in Exhibit B (the "Property").

E. The Project. The Developer, as owner of the Property, intends to construct a mixed retail and residential development consisting of two levels of approximately 105,610 square feet of net retail/commercial space (the "Retail Space") anchored by an approximately 30,000 square foot anchor grocery or retail store (excluding common area and non-revenue mezzanine and mechanical spaces), one residential tower above the Retail Space comprised of approximately 180 residential units (144 market rate and 36 affordable units)(collectively the "Residential Units"), and an underground parking garage with a minimum of 350 spaces and containing certain green initiatives as set forth herein (collectively, the "Facility"). The Facility and related on site improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) and adjacent improvements in the public right of way for the installation of a new traffic signal are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

F. Redevelopment Plan. The Project will be carried out in accordance with this Agreement and the City of Chicago 51st and Lake Park Tax Increment Financing Redevelopment Area Project and Plan (the "Redevelopment Plan") included in the TIF-Adoption Ordinance and published at pages 40716 to 40780 of the Journal of the Proceedings of the City Council.

G. City Financing. The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for, reimburse the Developer, or refinance debt incurred by the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. Such payment, reimbursement and/or refinancing will be undertaken by the issuance of the City Notes (as defined below), and the payment of principal and interest on the City Notes in accordance with 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, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

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SECTION 2. DEFINITIONS

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

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

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

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

“Amortization” shall have the meaning set forth in Section 8.05(c) hereof.

“Annual Compliance Report” shall mean a signed report from Developer to the City (a) itemizing each of Developer’s obligations under this Agreement during the preceding calendar year, (b) certifying 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 Developer is not in default with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements. The obligations to be covered by the Annual Compliance Report shall include, but not be limited to, the following: (1) compliance with the TIF Recapture Covenant (Section 8.05); (2) compliance with the Operating Covenant, Occupancy Covenant and Jobs Covenant (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) delivery of evidence that LEED Certification has been obtained (Section 8.23); (7) compliance with the Affordable Housing Covenant (Section 8.25); (8) compliance with the Project Labor Agreement Covenant (Section 8.26); and (9) compliance with all other executory provisions of the RDA.

“Available Incremental Taxes (City Note A)” shall mean an amount equal to the Incremental Taxes which are received and that have been deposited in the TIF Fund as of December 31 of a calendar year and which are attributable to the taxes levied on the Property minus the City Fee.

“Available Incremental Taxes (City Note B)” shall mean an amount equal to the Incremental Taxes which are received and that have been deposited in the TIF Fund as of December 31 of a calendar year and which are attributable to the taxes levied on the Property minus (i) the City Fee, and (ii) Available Incremental Taxes (City Note A).

“Available Project Funds” shall mean: (1) the undisbursed City Funds; (2) the undisbursed Lender Financing, if any; (3) the undisbursed Equity and (4) any other amounts deposited by Developer pursuant to this Agreement.

“Bundle” shall have the meaning set forth in Section 8.01(n) hereof.

“Capital Event” shall have the meaning set forth in Section 8.05(c) hereof.

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

“Certificate of Expenditure” shall mean each Certificate of Expenditure referenced in the applicable City Note pursuant to which the principal amount of such City Note will be established. The combined principal amount of the Certificate of Expenditure with respect to the each City Note shall total the Maximum TIF Assistance. Both Certificates of Expenditure shall be submitted to the City concurrently in accordance with the provisions of Sections 4.03(b)(i), 4.03(c) and 4.07 hereof.

“Certified Final Project Cost” shall mean the actual cost of the Project as certified by the Developer as set forth in Section 7.01(c)(i).

“Change Order” shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

“City Contract” shall have the meaning set forth in Section 8.01(l) hereof.

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

“City Fee” shall mean the fee described in Section 4.05(b) hereof.

“City Funds” shall mean the funds paid to the Developer pursuant to the City Notes, as the same may be reduced or terminated pursuant to this Agreement and shall not be excess of the Maximum TIF Assistance.

“City Note A” shall mean the “City of Chicago Tax Increment Allocation Revenue Note (1525 HP, LLC Redevelopment Project), Tax-Exempt Series 20__A,” substantially in the form attached hereto as Exhibit L, in the maximum principal amount to be established in a Certificate of Expenditure, issued by the City to Developer on the date the Certificate of Completion is issued. City Note A shall bear interest at the City Note A Interest Rate and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate.

“City Note A Interest Rate” shall mean an annual rate equal to the median value of the Baa (municipal market data) G.O. Bond rate (20 year) as published by Thompson-Reuters Municipal Market Data (“MMD”) for 15 business days before City Note A is issued plus 175 basis points, but in no event exceeding eight percent (8.00%) per annum.

“City Note B” shall mean the “City of Chicago Tax Increment Allocation Revenue Note (1525 HP, LLC Redevelopment Project), Taxable Series 20__B,” substantially in the form attached hereto as Exhibit M, in the maximum principal amount equal to the difference between the amount of City Note A and \$11,321,242, as established in a Certificate of Expenditure, issued by the City to Developer on the City Note B Issuance Date. City Note B shall bear interest at the City Note B Interest Rate and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate.

“City Note B Interest Rate” shall mean an annual interest rate equal to the median value of the Corporate BBB Bond Index Rate (20-year) as published by Bloomberg for 15 business days prior to the date of issuance of City Note B plus 165 basis points, but in no event exceeding nine percent (9.00%) per annum.

“City Note B Issuance Date” shall mean the date that is the later of (i) the date that the Certificate of Completion is issued, or (ii) January 1, 2016 and the Developer is in compliance

with all the terms and conditions of this Agreement. The City shall not issue City Note B on the date that is the later of (i) or (ii) herein if the Developer is not in compliance with the terms and conditions of this Agreement until such time as the Developer has cured such noncompliance. Upon a cure by the Developer in such an instance, the date of issuance of City Note B shall be the City Note B Issuance Date.

“City Notes” shall mean, collectively, City Note A and City Note B. The City Notes shall not in the aggregate be in excess of the Maximum TIF Assistance.

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

“Closing Date Total Project Cost” shall have the meaning set forth in Section 3.03 hereof.

“Contract” shall have the meaning set forth in Section 10.03 hereof.

“Contractor” shall have the meaning set forth in Section 10.03 hereof.

“Contribution” shall have the meaning set forth in Section 8.01(n) hereof.

“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 Project.

“Corporation Counsel” shall mean the City's Department of Law.

“Debt Service” shall have the meaning set forth in Section 8.05(c) hereof.

“Depreciation” shall have the meaning set forth in Section 8.05(c) hereof.

“Developer” shall have the meaning set forth in the Recitals hereof, together with its permitted successors and/or assigns.

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

“Developer Subordinated Equity” shall have the meaning set forth in Section 8.05(c) hereof.

“Domestic Partner” shall have the meaning set forth in Section 8.01(n) hereof.

“DPD” shall mean the City's Department of Planning and Development, or any successor department thereto.

“EDS” shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

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

"Employment Plan" shall have the meaning set forth in Section 8.24 hereof.

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

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

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

"Financial Interest" shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

"Financial Statements" shall mean complete audited financial statements for the finances of the Project, which shall include a detailed accounting of all Operating Expenses as well as an accounting of any and all disbursements to entities related to the Developer, prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"FOIA" shall have the meaning set forth in Section 8.27(a) hereof.

"Full-Time Equivalent Employee" or "FTE" shall mean an employee of the Developer (or an Affiliate of one of the foregoing) at the Project if such employee is employed at the Project during an applicable month (excluding persons engaged as or employed by independent contractors, third party service providers or consultants) and works at least thirty-five (35) hours per week. Two Part-Time Employees shall be recognized as one Full-Time Equivalent Employee.

"General Contractor" shall mean the general contractor(s) hired by the Developer pursuant to Section 6.01.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

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

“In Balance” shall have the meaning set forth in Section 4.07(g) hereof.

“Income Taxes” shall have the meaning set forth in Section 8.05(c) 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 TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

“Indemnitee” and “Indemnitees” shall have the meanings set forth in Section 13.01 hereof.

“Investor Equity” shall have the meaning set forth in Section 8.05(c) hereof.

“Jobs Certificate” shall have the meaning set forth in Section 8.06(b) hereof.

“Jobs Covenant” shall have the meaning set forth in Section 8.06(a)(iii) hereof.

“Laws” shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code relating to waste disposal.

“LEED Certification” shall mean basic certification of the 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 new construction.

“Lender” shall mean any provider of Lender Financing.

“Lender Financing” shall mean any funds borrowed by the Developer from any provider of funds, including but not limited to the \$78,000,000 construction loan, and irrevocably available to pay for Project costs, in the amount set forth in Section 4.01 hereof.

“Living Wages” shall mean a base wage as that term is defined and calculated in Section 2-92-610 of the City of Chicago Municipal Code.

“Local Records Act” shall have the meaning set forth in Section 8.27(c) hereof.

“Lock-Out Period” shall have the meaning set forth in Section 4.03(b)(ii) hereof.

“Lock-Out Period Commencement Date” shall have the meaning set forth in Section 4.03(b)(ii) hereof.

“Maximum TIF Assistance” shall mean the total principal aggregate combined for City Notes, which dollar amount cannot be exceeded as determined in accordance with the provisions of Section 4.03(b)(i) hereof.

“MBE(s)” shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified

by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

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

"MBE/WBE Program" shall have the meaning set forth in Section 10.03 hereof.

"Minimum Occupancy" shall mean at least 66% of the Retail Space and at least 80% of the Residential Units.

"MPLA" shall mean the City Multi-Project Labor Agreement as further described in Section 8.26 hereof.

"Municipal Code" shall mean the Municipal Code of the City of Chicago, as amended from time to time.

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

"Net Operating Income" shall have the meaning set forth in Section 8.05(c) hereof.

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

"Occupancy Covenant" shall have the meaning set forth in Section 8.06(a)(ii) hereof.

"Occupancy Report" shall have the meaning set forth in Section 8.06(a)(ii) hereof.

"Operating Covenant" shall have the meaning set forth in Section 8.06(a)(i) hereof.

"Operating Expenses of the Project" shall have the meaning set forth in Section 8.05(c) hereof.

"Other Contract" shall have the meaning set forth in Section 8.01(n) hereof.

"Part-Time Employee" shall mean any employee that works at least 17.5 hours per week.

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

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

"Planned Development" shall mean Planned Development No. 1174, dated November 3, 2010, as amended from time to time.

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

"Political fundraising committee" shall have the meaning set forth in Section 8.01(n) hereof.

“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.

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

“Project Revenues” shall have the meaning set forth in Section 8.05(c) hereof.

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

“Qualified Investor” shall mean a purchaser of City Note A that provides the City with an acceptable investment letter as further described in Section 4.03(d) hereof.

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

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

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

“Reporting Period” shall mean the January 1 through and including December 31 for each year beginning one year after the issuance of the Certificate of Completion; provided, however, the first reporting period shall be such shorter amount of time from the date of issuance of the Certificate of Completion through and including December 31 for the same year.

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

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

“Sale Proceeds” shall have the meaning set forth in Section 8.05(c) hereof.

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

“Survey” shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the completion of the Project as required by the City or Lender(s) providing Lender Financing).

“Ten Year Anniversary” shall mean ten years from the date of issuance of the Certificate of Completion pursuant to Section 7.01 hereof.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on December 31, 2036, the date on which the Redevelopment Area is no longer in effect.

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

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

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

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

"TIF Recapture Amount" shall mean the amount of money paid to the City pursuant to the computations set forth in Section 8.05(a) and/or Section 8.05(b) hereof.

"Title Company" shall mean Chicago Title Insurance Company, or such other title company reasonably acceptable to the City and Developer.

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

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

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

SECTION 3. THE PROJECT

3.01. The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof and the receipt of all necessary permits: (i) commence construction no later than June 1, 2014; and (ii) complete construction and conduct business operations therein no later than December 31, 2016.

3.02. Scope Drawings and Plans and Specifications. The Developer has delivered (a) the Plans and Specifications to all appropriate City departments (including but not limited to plans concerning green roof(s)) and DPD has approved same, (b) Scope Drawings to DPD and DPD has approved same, and (c) submitted the Plans and Specifications to the Buildings Department. After such initial approvals, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order in accordance with Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the terms and conditions of the Agreement, the Planned Development and the

Redevelopment Plan and all Laws, including without limitation, all zoning and building code requirements. The Developer shall submit all necessary documents to the City's Buildings Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03. Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount of not less than One Hundred Thirteen Million Four Hundred Forty-Five Thousand Six Hundred Sixty-Four Dollars (\$113,445,664)(the "Closing Date Total Project Cost"). The Developer hereby certifies to the City that: (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects as of the date hereof. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04. Change Orders. Except as provided below 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 Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the Retail Space or a reduction in the gross or net square footage of the Project by five percent (5%) or more (either individually or cumulatively); (b) a reduction in the number of affordable units set forth in Recital E to this Agreement; (c) a change to any of the general uses of the Project from what is set forth in Recital E to this Agreement; (d) a delay in the completion of the Project by three (3) months or more; (e) any change which would impair the ability of the Project to be constructed on the Property; or (f) Change Orders resulting in an aggregate increase to the Project Budget of ten percent (10%) or more. DPD will attempt to expeditiously review any such Change Order request and approve or disapprove (with a brief written explanation given of any disapproval) such proposed Change Order within thirty (30) days of its receipt thereof. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in the preceding clauses (a) through (f) hereof or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent said City prior 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 DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

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

3.07. Progress Reports and Survey Updates. The Developer shall provide DPD with written quarterly construction progress reports (i.e., on or about January 1st, April 1st, July 1st and September 1st) detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04 if such date is more than six (6) months after the completion date set forth in Section 3.01). The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any Lender providing Lender Financing, reflecting improvements made to the Property.

3.08. Inspecting Agent or Architect. An independent agent or architect (other than Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD prior to requests for disbursement for costs related to the Project. With the written consent of DPD, the inspecting architect may be the inspecting architect engaged by or on behalf of any Lender and/or the Developer, provided that said architect is an independent architect licensed by the State of Illinois, or an inspecting agent of DPD.

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 Laws. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades (other than the name and logo of the Developer).

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

SECTION 4. FINANCING

4.01. Total Project Cost and Sources of Funds. The cost of the Project is estimated to be One Hundred Thirteen Million Four Hundred Forty-Five Thousand Six Hundred Sixty-Four Dollars (\$113,445,664), to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Lender Financing	\$ 78,000,000
Equity (subject to Sections 4.03(b) and 4.06)	\$ 35,445,664
ESTIMATED TOTAL	\$113,445,664

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

4.03. City Funds.

(a) Uses 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 sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03 and 4.05(c)) contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. In no event, however, shall City Funds be paid to the Developer in excess of the Maximum TIF Assistance.

(b) 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 pay for or reimburse the Developer for the actual Project costs of the TIF-Funded Improvements, in an amount not to exceed the Maximum TIF Assistance Amount (the "City Funds"), as follows:

(i) *Determination of Maximum TIF Assistance and Issuance Amounts of the City Notes*. In no event shall the Maximum TIF Assistance exceed Eleven Million Three Hundred Twenty-One Thousand Two Hundred Forty-Two Dollars (\$11,321,242). Once the Project is completed as set forth in Section 3.01 hereof, the Developer shall provide to DPD for approval the Certified Final Project Cost and two Certificates of Expenditure (in accordance with the provisions of Sections 4.03(c) and 4.07 hereof) with respect to both City Notes that together total the Maximum TIF Assistance and reflect the following:

- (1) If the Certified Final Project Cost is at least 95% of the Closing Date Total Project Cost, the Maximum TIF Assistance shall be Eleven Million Three Hundred Twenty-One Thousand Two Hundred Forty-Two Dollars (\$11,321,242); or
- (2) If the Certified Final Project Cost is less than 95% of the Closing Date Total Project Cost, the Maximum TIF Assistance shall be Eleven Million Three Hundred Twenty-One Thousand Two Hundred Forty-Two Dollars (\$11,321,242) minus 75% of the difference of (A) 95% of the Closing Date Total Project Cost, and (B) the Certified Final Project Cost.

(ii) *City Note A*. 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 City Note A to the Developer on the date of issuance of the Certificate of Completion. The principal amount of City Note A 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 City Note A, subject to the provisions hereof; provided, however, that the maximum principal amount of City Note A shall be equal to the Certificate of Expenditure for City Note A submitted by the Developer and approved by DPD in accordance with Section 4.03(b)(i) above but in no event shall such Certificate of Expenditure be greater than 75% of the Maximum TIF Assistance as computed in accordance with Section 4.03(b)(i) above; and

provided, further, that payments of City Note A are subject to the amount of Available Incremental Taxes (City Note A) deposited into the TIF Fund being sufficient for such payments and shall otherwise be consistent with the requirements and restrictions applicable to the issuance of tax-exempt tax increment financing notes under all applicable Laws. Interest on City Note A will accrue at the City Note A Interest Rate from the date of the issuance and will compound annually. Payments of principal and interest on City Note A shall be made only from Available Incremental Taxes (City Note A). The City may not prepay, without the Developer's consent, City Note A, for a period of five years (the "Lock-Out Period") from the date of issuance of the Certificate of Completion (the "Lock-Out Period Commencement Date").

(iii) *City Note B.* 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 City Note B to the Developer no earlier than the date of issuance of the Certificate of Completion; provided however, if the Certificate of Completion is issued prior to January 1, 2016, then City Note B shall be issued on January 1, 2016; provided however, City Note B shall not be issued during any time that the City has determined there is noncompliance with any terms or conditions of this Agreement until such time as such noncompliance is cured. The principal amount of City Note B 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 DPD payments of principal and interest on City Note B, subject to the provisions hereof; provided, however, that the maximum principal amount of City Note B shall be equal to the Certificate of Expenditure for City Note B submitted by the Developer and approved by DPD in accordance with Section 4.03(b)(i) above but in no event shall such Certificate of Expenditure be greater than 25% of the Maximum TIF Assistance as computed in accordance with Section 4.03(b)(i) above; and provided, further, that payments of City Note B are subject to the amount of Available Incremental Taxes (City Note B) deposited into the TIF Fund being sufficient for such payments. Interest on City Note B will accrue at the City Note B Interest Rate from the date of the issuance and will compound annually. Payments of principal and interest on City Note B shall be made only from Available Incremental Taxes (City Note B).

(c) Certificate of Expenditure. In accordance with Section 4.03(b)(i) above, the Developer shall provide DPD with two Certificates of Expenditure to establish the principal amount of the City Notes. The Developer shall also submit, along with each Certificate of Expenditure, documentation necessary to establish that the Developer has incurred the TIF-Funded Costs covered by such certificate. Exhibit C sets forth certain TIF-Funded Costs for the Project that are intended to be reimbursed through the City Notes. Upon DPD's request, the Developer shall meet with DPD to discuss either Certificate of Expenditure submitted to DPD. In no instance shall the Developer submit a Certificate of Expenditure that includes costs that the Developer has paid for correcting deficient work, nor costs for replacing deficient materials, or other costs attributable to a failure to initially complete the Project in accordance with all applicable laws and City requirements.

(d) After issuance, the City Notes may be pledged to a Lender. In addition, Developer may sell City Note A any time after issuance thereof, but only to a Qualified Investor with no view to resale and pursuant to, and upon receipt of, an investment letter in form and substance acceptable to the City, and in a manner and on terms, including a debt service schedule, otherwise acceptable to the City.

(e) Section 4.03(a) through (d) above is hereby qualified by the following: the City Funds to be derived from Available Incremental Taxes (City Note A) and Available Incremental Taxes (City Note B) 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 (City Note A) and Available Incremental Taxes (City Note B) deposited into the TIF Fund shall be sufficient on the principal and interest payment date to pay for such costs (provided that if such funds are not available on the date that principal and interest is payable in any given year, such insufficiency shall not relieve the City of its payment obligations on City Note A and City Note B, respectively, if and such Available Incremental Taxes (City Note A) and Available Incremental Taxes (City Note B) do become available for payment).

(f) The Developer acknowledges and agrees that the City's obligation to pay any amount due under City Note B, once issued, is contingent upon satisfaction of all applicable terms and conditions of this Agreement, including without limitation, compliance with the covenants in Section 8 (Covenants/Representations/ Warranties of the Developer). Further, any and all amounts not due and payable due to noncompliance with the Occupancy Covenant or the Jobs Covenant that subsequently become due and payable because such noncompliance was cured (all as set forth in Section 8.06(c)(ii) hereof) shall be paid at the time the final payment is due under City Note B, but only if such noncompliance of the Occupancy Covenant or the Jobs Covenant has been cured in accordance with Section 8.06(c)(ii) and there is no Event of Default under the Agreement at the time of the final payment of City Note B.

4.04. Intentionally omitted.

4.05. Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) 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.

(c) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in

an amount not to exceed \$50,000 or \$250,000 in the aggregate, may be made without the prior written consent of DPD.

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

4.07. Preconditions of Execution of Certificate of Expenditure. Prior to the execution of a Certificate of Expenditure by the City, the Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer to DPD of any request for execution of a Certificate of Expenditure 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 such Certificate of Expenditure is for TIF-Funded Improvements that represent the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

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

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

(d) the representations and warranties contained in this Redevelopment Agreement are true and correct and Developer is in compliance with all applicable 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 Property except for the Permitted Liens;

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. The Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, provide the City with evidence of sufficient sources of funds that will place the Project In Balance.

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 the execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to

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

4.08. Conditional Grant. Payments on the City Notes being provided hereunder are being provided on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being terminated and/or reimbursed as provided in Section 15.02 hereof.

4.09. Cost of Issuance. The Developer shall be responsible for paying all costs relating to the issuance of the City Notes, including costs relating to the opinion described in Section 5.09(b) hereof. In addition, the Developer shall be responsible for paying the costs of nationally recognized bond counsel that are incurred as of the date of execution and delivery of this Agreement, together with the additional costs related to those services provided at the time of issuance of the City Notes.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03. Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any Laws to begin construction of the Project and has submitted evidence thereof to DPD.

5.04. Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. Developer has delivered to DPD a copy of the construction escrow agreement entered into by Developer regarding the Lender Financing. Any liens against the Property in existence at the Closing Date, except Permitted Liens, 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 in substantially the form set forth in Exhibit N hereto, with such changes as acceptable to the City, which is to be recorded at the expense of the Developer with the Office of the Recorder of Deeds of Cook County.

5.05. Acquisition and Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains

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

5.06. Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under the Developer's name showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

<u>Jurisdiction</u>	<u>Searches</u>
Secretary of State	UCC, Federal tax
Cook County Recorder	UCC, Fixtures, Federal tax, State tax, Memoranda of judgments
U.S. District Court	Pending suits and judgments (including bankruptcy)
Clerk of Circuit Court, Cook County	Pending suits and judgments

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

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

5.09. Opinion of Developer's Counsel.

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

(b) On the Closing Date, the Developer has provided evidence to the satisfaction of DPD that nationally recognized bond counsel is satisfied that the form of City Note A is consistent with the requirements and restrictions applicable to the issuance of tax-exempt tax increment financing notes under all applicable Laws.

(c) On the date that City Note A is issued, the City has received from a nationally recognized bond counsel, as special counsel, an opinion regarding the tax-exempt status and enforceability of the City Note, in form and substance acceptable to Corporation Counsel.

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

5.11. Financial Statements. The Developer has provided Financial Statements to DPD for its most recent fiscal year, and interim financial statements.

5.12. Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD with respect to (a) employment opportunities at the Retail Space (and Whole Foods has directly provided to the City sufficient documentation as to the Whole Foods lease), (b) a copy of the executed leases/letters of Intent for the Retail Space, and (c) all items delivered to the Lender in connection with the Lender Financing that have been requested by the City.

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

5.14. Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles or Organization 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; operating agreement; and such other corporate documentation as the City has requested.

The Developer has provided to the City, an EDS in the City's then current form, dated as of the Closing Date, which is incorporated by reference, and the Developer further will provide any other affidavits or certifications as may be required by Law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Section 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an Event of Default under this Agreement.

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

5.16. Affordable Housing Documentation. The Developer has provided to Corporation Counsel and DPD a completed Affordable Housing Profile Form (Rental), in the form as attached hereto and incorporated as a part hereof as Exhibit R.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01. Bid Requirement for General Contractor and Subcontractors. The City has approved the Developer's selection of Linn-Mathes Inc., an Illinois corporation, as the General Contractor. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

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

6.03. Performance and Payment Bonds. Prior to commencement of construction of any portion of the Project, the Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit O hereto. The City shall be named as obligee or co-obligee on any such bonds.

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

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

SECTION 7. COMPLETION OF CONSTRUCTION

7.01. Certificate of Completion of Construction.

(a) Upon (i) satisfaction of the conditions set forth in Section 7.01(c) hereof, and (ii) the Developer's written request (which shall include the Certified Final Project Cost), DPD shall issue to the Developer a Certificate of Completion in recordable form certifying that all obligations to complete the Project have been fulfilled by the Developer in accordance with the terms of this Agreement.

(b) DPD shall respond to the Developer's written request for a Certificate of Completion within thirty (30) days by issuing either a Certificate of Completion or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate of Completion. The Developer may resubmit a written request for a Certificate of Completion upon completion of such measures.

(c) The Developer acknowledges that the City will not issue a Certificate of Completion until all of the following conditions have been met:

(i) the Developer has given the City written notification that construction of the Project, including all of the TIF-Funded Improvements, has been completed and has provided the City with a certified amount of (1) final total Project costs (the "Certified Final Project Cost") and (2) Investor Equity, and such Investor Equity shall be no more than \$37,619,344. Developer may not increase the Investor Equity above \$37,619,344 without the prior written consent of the Commissioner of DPD following his/her review of the impact of such increase on the terms of Section 8.05.

(ii) the Developer has provided DPD with evidence acceptable to DPD showing that the Developer has completed the Project in compliance with the Plans and Specifications, the Planned Development and all building permit requirements, including without limitation, receipt of all required certificate(s) of occupancy for the commercial and residential components of the Project;

(iii) all of the following are met: (1) an anchor grocery or other retail store acceptable to the DPD Commissioner is open to the public for business; (2) 37,805 square feet of the remaining retail tenant space is open for business; (3) 72 market rate Residential Units are leased and occupied; and (4) 33 of the Residential Units that are set aside as affordable units are leased and occupied;

(iv) the Developer has provided DPD with documentation acceptable to DPD that employees have been hired with respect to the Project;

(v) the City's monitoring unit has determined in writing that the Developer is in complete compliance with all requirements of Section 8.08 (Prevailing Wage), and Section 10 (the Developer's Employment Obligations);

(vi) the Developer has provided documentation acceptable to DPD showing the Green Initiatives set forth in Exhibit F have been completed and that the Developer has applied for LEED Certification. If there is a lack of approval of the Developer's LEED submission, and such lack of approval (A) is the sole requirement not met for issuance of the Certificate of Completion by DPD pursuant to this Agreement, and (B) has not resulted in any reduction of funds in order to complete the Project in accordance with the scope of work approved by the City in accordance with Sections 3.02 and 3.04 hereof, then DPD, may, but shall not be obligated to, in the DPD Commissioner's sole discretion, issue the Certificate of Completion; and

(vii) there exists neither an Event of Default 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.

7.02. Effect of Issuance of Certificate of Completion; Continuing Obligations. The Certificate of Completion relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate of Completion, 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 of Completion 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 8.01(j), 8.01(k), 8.02, 8.06, 8.19, 8.21 and 8.25 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate of Completion; provided, that upon the issuance of a Certificate of Completion, 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 of Completion shall be binding only upon the Developer or a permitted assignee of 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 Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

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

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

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

7.04. Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at 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 DEVELOPER.

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

(a) the Developer is an Indiana limited liability company duly organized, validly existing, qualified to do business in its state of 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 Organization or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that 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, as and when required, maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals and building permits) 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 or the Property is bound;

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

(j) prior to the issuance of a Certificate of Completion, the Developer shall not do any of the following without the prior written consent of DPD and after the issuance of the Certificate of Completion the Developer shall not do any of the following without the prior written notice to DPD: (1) be a party to any merger, liquidation or consolidation; provided, however, no written consent or notice shall be needed when admitting new equity investors or when equity investors exit; (2) assign, sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto); provided, however, no written consent or notice shall be needed for leases in the ordinary course of business of the Residential Units or Retail

Space for operation of the Project (including cell tower or data line leases); and provided, further, that no lease shall include any provision impairing the right of the parties thereto to appeal property taxes associated therewith; (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; (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; or (6) cease to operate the Project with an anchor grocery or retail store.

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

(l) 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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

(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; and

(n) Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) May 16, 2011, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) Bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which is then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City of Chicago to which Developer is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and

- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 - 1. The partners have been residing together for at least 12 months.
 - 2. The partners have common or joint ownership of a residence.
 - 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 - 4. Each partner identifies the other partner as a primary beneficiary in a will.

“Political fundraising committee” means a “political fundraising committee” as defined in Chapter 2-156 of the Municipal Code, as amended.

8.02. Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, 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 Ordinance, the Scope Drawings, Plans and Specifications, the Planned Development, the Project Budget and all amendments thereto, and all Laws applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate of Completion 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, which is hereby incorporated by reference into this Agreement.

8.04. Use of City Funds. City Funds disbursed to the Developer shall be used by 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. Recapture of TIF Assistance.

(a) If the sale or transfer of (i) the Project in its entirety; or (ii) the Residential Units occurs on or before the one year anniversary of the issuance of the Certificate of Completion, the Developer agrees to pay and remit to the City on the closing date of such sale or transfer an amount equal to one percent (1%) of the sales price based on the final executed settlement statement prepared in connection with such sale or other transfer.

(b) On an annual basis beginning with the one year anniversary of the issuance of the Certificate of Completion and upon the happening of any Capital Event, the Developer agrees to pay and remit to the City a portion of Net Operating Income and/or Sale Proceeds, as the case may be, in accordance with this Section 8.05(b) as more fully illustrated by way of example in Exhibit T hereto. The Net Operating Income and/or Sale Proceeds shall be distributed as follows in the following order of priority:

First: *Return of Capital of Investor Equity.*

An amount equal to the total of the Investor Equity shall be distributed to the Developer.

Second: *14% Preferred Return of Investor Equity.*

An amount equal to a 14% annual return, compounded annually (to the extent not paid in any given year pursuant to this paragraph) with respect to the total of the Investor Equity shall be distributed to the Developer.

Third: *Return of Developer Subordinated Equity.*

An amount equal to Developer Subordinated Equity shall be distributed to the Developer.

Fourth: *14% Catch-up Return of Developer Subordinated Equity.*

On a pari passu basis, 81% to the Developer and an amount equal to 19% to the City until there has been distributed pursuant to this Paragraph an amount equal to a 14% annual return, compounded annually (to the extent not paid in any given year pursuant to this paragraph) with respect to the total of the Developer Subordinated Equity.

Fifth: *Pro Rata Distributions of all Remaining Returns.*

On a pari passu basis the following:

(A) With respect to the Developer's carried interest as defined in the Operating Agreement, on a pari passu basis, an amount equal to 81% of the Net Operating Income and/or Sale Proceeds, as the case may be, shall be distributed to the Developer, and an amount equal to 19% of the Net of Operating Income and/or Sale Proceeds, as the case may be, shall be distributed to the City, and

(B) The balance to the Developer.

(c) As used in this subsection, the following terms shall have the following meanings:

(i) "Amortization" shall mean those certain amortization amounts for the Project as set forth in the audited annual Financial Statements.

(ii) "Capital Event" shall mean the sale, transfer or refinancing of the Project or any part thereof.

(iii) "Depreciation" shall mean those certain depreciation amounts for the Project as set forth in the audited annual Financial Statements.

(iv) "Developer Subordinated Equity" shall mean \$3,750,000 of the total Developer Equity.

(v) "Debt Service" shall mean those certain debt service amounts for the Project as set forth in the audited annual Financial Statements.

(vi) "Income Taxes" shall mean those certain income tax amounts for the Project as set forth in the audited annual Financial Statements.

(vii) "Investor Equity" shall mean, for any given year, the lesser of (a) the amount of total equity invested in the Project as shown in the audited annual Financial Statements for such year (whether such amount is identified as a discrete calculation or as an accumulation of relevant calculations) minus Developer Subordinated Equity or (b) \$37,619,344; provided, however, that Section 7.01(c)(i) shall apply to any increases of Investor Equity.

(viii) "Net Operating Income" shall be computed using the following formula: Project Revenues minus Operating Expenses of the Project.

(ix) "Operating Expenses of the Project" shall mean those certain operating expenses set forth in the audited annual Financial Statements including Debt Service and any Lender required reserves, but excluding any reserves arising in connection with a Capital Event, Income Taxes, Depreciation and Amortization.

(x) "Project Revenues" shall mean those certain revenues for the Project as set forth in the audited annual Financial Statements.

(xi) "Sales Proceeds" shall mean proceeds of such sale net of outstanding Lender Financing based on the final executed settlement statement prepared in connection with such sale.

(d) Any TIF Recapture Amount received by the City shall be deposited into a separate account within the TIF Fund and shall be used for Redevelopment Project Costs; provided, however, such amounts shall not be used directly or indirectly for repayment of the City Notes.

(e) Any TIF Recapture Amount due and owing to the City annually pursuant to Section 8.05(b) shall be paid by the Developer on or before April 1 in conjunction with the filing of the Annual Compliance Report; provided, however, that in no event shall any such TIF Recapture Amount be paid to the City any later than any concurrent payment which is to be made on a pari passu basis to the Developer. Any TIF Recapture Amount due and owing to the City pursuant to Section 8.05(a) or Section 8.05(b) due the occurrence of a Capital Event shall be paid by the Developer on the closing date of such Capital Event.

(f) This Section 8.05 shall be in effect until the earlier of (1) a Capital Event in which Developer is no longer in control of the entire Project, or (2) all amounts in Section 8.05(b) paragraphs one through five are paid to the City in accordance with this Section. With respect to Capital Event of less than the entire Project, such successor shall not have any obligations or liabilities under this Section 8.05; provided the Developer shall continue to have obligations under this Section 8.05 with respect to the portion of the Project that was not subject to the Capital Event.

8.06. Jobs, Operation and Occupancy Covenants

(a) *Job Creation and Retention; Operations Covenant; Occupancy Covenant.*

(i) The Developer (1) shall maintain, through the Ten Year Anniversary, an anchor grocery or retail store acceptable to DPD, as permitted pursuant to the Redevelopment Plan, the Planned Development, if any, and this Agreement; (2) shall, through the Term of the Agreement, lease to tenants whose operations shall not include any Prohibited Uses as set forth in Exhibit P, without the consent of the Commissioner of DPD; and (3) shall not, through the Term of the Agreement, include any restriction upon the use and operation of the Property and the Project in any contract of sale or deed (or similar instrument) of conveyance that is more restrictive or in conflict with the restrictions relating to Prohibited Uses. Wherever there is a conflict between the permitted uses of the Property and the Project, between this Agreement and the other controlling documents set forth above, the terms of this Agreement shall control (collectively, the "Operating Covenant").

(ii) The Developer shall maintain Minimum Occupancy for each Reporting Period. The Developer shall deliver an occupancy progress report certifying compliance with the requirement (the "Occupancy Report") to maintain a Minimum Occupancy (the "Occupancy Covenant") for the Reporting Period, such request to be submitted each year, through the Term of the Agreement. The Developer (i) shall cause the Property to be used as a retail shopping center, as permitted pursuant to the Redevelopment Plan, the Planned Development, if any, and this Agreement, and (ii) shall lease to tenants whose operations shall not include any Prohibited Uses as set forth in Exhibit M, without the consent of the Commissioner. Additionally, leases for Retail Space or Residential Units shall not include any restriction upon the use and operation of the Property and the Project in any contract of sale or deed (or similar instrument) of conveyance that is more restrictive or in conflict with the restrictions relating to Prohibited Uses. Notwithstanding the foregoing, the Developer may establish tenant exclusives on the use and operation during the term of the related retail leases, including short-term post lease operating interruptions to accommodate only short-term office rental tenants (where short term is less than ninety days). Wherever there is a conflict between the permitted uses of the Property and the Project, between this Agreement and the other controlling documents set forth above, the terms of this Agreement shall control. The Developer hereby covenants and agrees to maintain Minimum Occupancy through the Term of the Agreement.

(iii) Additionally, not less than seven (7) Full-Time Equivalent Employee jobs shall be created by the Developer or an affiliate of the Developer to operate and maintain the residential component of the Project on or before the issuance of the Certificate of Completion and such number of jobs shall be maintained during the Term of the Agreement (the "Jobs Covenant").

(b) Following the issuance of the Certificate of Completion until the Term of the Agreement, the Developer shall submit to DPD certified Jobs Certificates (in substantially the form set forth in Exhibit K hereto) disclosing compliance with the Jobs Covenant to DPD. These Jobs Certificates shall be submitted to DPD with the Annual Compliance Report regarding compliance with the Jobs Covenant for the Reporting Period. The Jobs Certificate shall include employee identifiers and titles for FTEs employed at the residential component of the Project as of the end of the prior 12-month reporting period and documentation sufficient to support, to DPD's satisfaction, each position as either newly created or maintained.

(c) *Jobs and Occupancy Covenant Defaults and Cure Periods.*

(i) Non-Curable Covenant Default: There shall be no cure period for non-submission of, and no issuance or payment of City Note B, whichever is applicable, if the Occupancy Report or the Jobs Certificate is not submitted with the Annual Compliance Report.

(ii) Cure Periods

(1) Occupancy Covenant: If there is noncompliance with the Occupancy Covenant described in Section 8.06(a)(ii) hereof as documented in the Occupancy Report, an Event of Default shall not be declared with respect to such noncompliance for the first instance of reporting the noncompliance as part of the Developer's Annual Compliance Report submission. If the Annual Compliance Report submission in the next subsequent year also documents noncompliance with the Occupancy Covenant, then such noncompliance shall constitute an Event of Default for not meeting the Occupancy Covenant set forth in Section 8.06(a)(ii) hereof. Additionally, it shall be an Event of Default upon the third non-consecutive year reporting in an Annual Compliance Report of noncompliance with the Occupancy Covenant in Section 8.06(a)(ii). An Event of Default pursuant to this Section 8.06(c) shall be without notice or opportunity to cure and the City shall have such remedies as set forth in Section 15.02 hereof.

(2) Jobs Covenant: If there is noncompliance with the Jobs Covenant described in Section 8.06(a)(iii) hereof as documented in the Jobs Certificate, an Event of Default shall not be declared with respect to such noncompliance for the first instance of reporting the noncompliance as part of the Developer's Annual Compliance Report submission. If the Annual Compliance Report submission in the next subsequent year also documents noncompliance with the Jobs Covenant, then such noncompliance shall constitute an Event of Default for not meeting the Jobs Covenant set forth in Section 8.06(a)(iii) hereof. Additionally, it shall be an Event of Default upon the third non-consecutive year reporting in an Annual Compliance Report of noncompliance with the Jobs Covenant in Section 8.06(a)(iii). An Event of Default pursuant to this Section 8.06(c) shall be without notice or opportunity to cure and the City shall have such remedies as set forth in Section 15.02 hereof.

(d) The covenants set forth in this Section 8.06 shall run with the land and be binding upon any transferee for the Term of the 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. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer shall correct any shortfall.

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

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

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

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

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

8.13. Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2012 and each December 31 thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14. Insurance. 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, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to

DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

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

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

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

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

(a) *Representation.* To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be, as and when required, in compliance with all Laws pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

(b) *Covenant.* The Developer covenants that the Property and the Project will be operated and managed in compliance with all Laws. Upon the City's request, the Developer shall provide evidence to the City of its compliance with this covenant.

8.18. Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19. Real Estate Provisions.

(a) *Governmental Charges.*

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

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

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

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

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

the Developer to submit to the City audited Financial Statements at the Developer's own expense.

8.20. Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of 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 of Completion) shall be in effect throughout the Term of the Agreement.

8.21. Annual Compliance Report. The Developer shall provide to DPD an Annual Compliance Report consisting of (a) an Affidavit from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement in the form set forth in Exhibit D hereto, and (b) sufficient documentation and certifications, to the satisfaction of DPD, to evidence that all ongoing requirements have been satisfied during the preceding reporting period (which DPD shall have the right, but not the obligation, to audit compliance with to determine the sufficiency of such Annual Compliance Report). The Annual Compliance Report shall be submitted each year on April 1 after the end of the calendar year to which the Annual Compliance report relates (each such calendar year being a "Reporting Period"). Failure by the Developer to submit the Annual Compliance Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure pursuant to Section 15.03 hereof. The covenants contained in this Section 8.21 shall run with the land and be binding upon any transferee for the Term of the Agreement.

8.22. Inspector General. It is the duty of the Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of the Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.23. LEED Certification. Developer covenants and agrees to obtain LEED certification for the Project and satisfy all green building requirements applicable to the Property set forth in Exhibit F hereto in accordance with the Planned Development.

8.24. Job Readiness Program. Not less than thirty (30) days prior to the Closing Date, the Developer shall meet with Workforce Solutions (DPD workforce division) regarding compliance with all Section 8.24 requirements. During this meeting, the Developer will work with DPD to create an Employment Plan for its employees at the Project, listing future job openings, titles, descriptions, qualifications and such other information as DPD may request ("Employment Plan") attached hereto as Exhibit Q-1. The Employment Plan may include recruitment, training, placement and reporting requirements, the sufficiency of which DPD shall approve as a precondition to the Closing. The Developer hereby covenants and agrees to work with the City, and to use best efforts to have the retail and commercial tenants work with the City, to maximize the recruitment and interviewing of qualified City of Chicago candidates.

This Section 8.24 covenant shall be deemed satisfied with respect to using best efforts to have the retail and commercial tenants work with the City upon Developer's inclusion of a job readiness covenant in each retail and commercial tenant lease executed on or after the Closing Date substantially in the form attached hereto as Exhibit Q-2.

8.25. Affordable Housing Compliance. Developer agrees and covenants to the City that Developer shall (a) record the Affordable Housing Covenant and Lien set forth in Exhibit S hereto and incorporated by reference herein (the "Affordable Housing Covenant") prior to the issuance of the building permit for the construction of the Residential Units, and (b) comply with Section 2-45-110 of the Municipal Code until the thirtieth anniversary of the final lease commencement date, as further set forth in the Affordable Housing Covenant. Additionally, the information contained in the Affordable Housing Profile Form on file with DPD, the form of which is set forth in Exhibit R hereto and incorporated herein, shall be updated as needed such that it conforms at all times with the information contained in the Affordable Housing Covenant. The Affordable Housing Compliance Requirements set forth in this Section 8.25 and Exhibit S shall survive the Term of the Agreement and shall run with the land and be binding upon any transferee.

8.26. Compliance with Multi-Project Labor Agreement. Developer shall cause the General Contractor to comply with that certain Settlement Agreement dated November 3, 2011, by and among the City, the Chicago Regional Council of Carpenters, the Metropolitan Pier and Exposition Authority, the Public Building Commission of the City, and the State, because the Project budget is in excess of \$25,000,000, and, therefore, is subject to the provisions of that certain City Multi-Project Labor Agreement (the "MPLA") dated February 9, 2011, by and among the City and the labor organizations comprising the Chicago & Cook County Building & Construction Trades Council. The Developer shall cause the General Contractor to comply with the MPLA to the fullest extent legally permissible without violating other requirements applicable to the construction of the Project, including, without limitation, Sections 8.09, 10.02 and 10.03 hereof. At the direction of DPD, affidavits and other supporting documentation shall be required of the Developer, the General Contractor and the subcontractors to verify or clarify compliance with the MPLA.

8.27. FOIA and Local Records Act Compliance.

(a) *FOIA*. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) *Exempt Information*. Documents that the Developer submits to the City under Section 8.21, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its

discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) *Local Records Act.* The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act.

8.28. 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 of Completion) 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. 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 Developer operating on the Property (collectively, with Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

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

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

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

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

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

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate of the Developer, 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. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by Actual Residents of the City); provided, however, that in addition to complying with this percentage, 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.

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 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.

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

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

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

At the direction of DPD, affidavits and other supporting documentation will be required of 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 Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that 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 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 Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether 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.

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

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

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

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Project, and the responses

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

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, 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, as applicable.

(f) Any reduction or waiver of 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, as applicable.

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

SECTION 11. ENVIRONMENTAL MATTERS

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

11.02. Developer Indemnification. Without limiting any other provisions hereof, 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 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 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 all or any portion of the Property, 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 Developer or any of its Affiliates under any Environmental Laws relating to the Property.

11.03 Lyrical-Antheus Realty Partners, L.P. Indemnification. Without limiting any other provisions hereof, Lyrical-Antheus Realty Partners, L.P., a Delaware limited partnership, 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 arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from any real property, except the Property, which the Developer directly controls, or that a person indirectly controlling, controlled by or under common control with 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 Developer).

SECTION 12. INSURANCE

Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the Term of the 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 the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

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

(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, 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, 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

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Developer must submit evidence of insurance to the City on an insurance certificate form to the City's satisfaction 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 Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City

retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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 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 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.

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 during the Term of the Agreement.

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

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

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

(iv) 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. 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 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 Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

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

SECTION 15. DEFAULT AND REMEDIES

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

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

(b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with

any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by 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 and/or liens bonded by the Developer or insured by the Title Company to the satisfaction of DPD, 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 Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of 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 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 Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of 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 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 Developer;

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

(k) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

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

15.02. Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, not issue City Note B if such City Note has not yet been issued, discontinue payment on City Note B, place a lien on the Project in the amount of City Funds paid, and/or seek reimbursement of any City Note B payments. 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 terms and conditions contained herein. Upon the occurrence of an Event of Default under Section 8.06, Developer shall be obligated to repay to the City all previously disbursed City Note B payments.

15.03. Curative Period.

(a) In the event Developer shall fail to perform a monetary covenant which 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 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.

(b) In the event Developer shall fail to perform a non-monetary covenant which 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 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, 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; provided, further, that there shall be no cure period with respect to the filing of the Annual Compliance Report pursuant to Section 8.21 hereof and that the cure period for noncompliance with the Occupancy Covenant and the Jobs Covenant shall be as provided for in Section 8.06(c) hereof.

15.04. Right to Cure by Lender. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation or reduction of the amount of City Note B payments disbursed hereunder, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Lender and the Lender shall have the right (but not the obligation) to cure such Event of Default as follows:

(a) if the Event of Default is a monetary default, the Lender may cure such default within 45 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (ii) receipt by the Lender of such notice from the City; and

(b) if any Event of Default is of a non-monetary nature, the Lender shall have the right to cure such default within 60 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the Lender of such notice from the City; and

(c) Notwithstanding the provisions of Section 15.03(b) hereof, if such non-monetary default is an Event of Default set forth in Section 15.01(e), (f), (g), (h), (i) or (j) hereof or Event of Default by the Developer of a nature so as not reasonably being capable of being cured within such 60 day period (each such default being a "Personal Developer Default"), the Lender shall provide written notice to the City within 45 days of receipt of notice of such Personal Developer Default stating that it shall cure such Personal Developer Default by the assignment of all of the Developer's rights and interests in this Agreement to the Lender or any other party agreed to in writing by both the Lender and the City. Upon receipt by the City of such notice from the Lender, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of Developer's rights hereunder; provided, however, that no payment of City Note B shall occur until such time as such Personal Developer Default is cured.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that 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 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 Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to 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 Developer's interest hereunder in accordance with Section 18.14 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to 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 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 Developer's interest hereunder in accordance with Section 18.14 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "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 Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of

Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of 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 Developer of a Certificate of Completion pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

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

If to the City: City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner	If to Developer: Antheus Capital 32 North Dean Street, 2nd Floor Englewood, New Jersey 07631 Attention: David Gefsky and Silliman Group 5240 S Hyde Park Chicago, Illinois 60615 Attention: Peter Cassel
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<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>Faegre Baker Daniels, LLP 111 E. Wayne St. #800 Fort Wayne, IN 46802 Attention: David Kuker</p> <p>and</p> <p>Neal & Leroy, LLC 203 N. LaSalle Street, Suite 2300 Chicago, Illinois 60601 Attention: Carol D. Stubblefield</p> <p>and (as Lender):</p> <p>BMO Harris Bank N.A., as Administrative Agent 111 West Monroe Street Chicago, Illinois 60603 Attention: Kim Liautaud</p> <p>and</p> <p>BMO Harris Bank N.A. 111 West Monroe Street Chicago, Illinois 60603 Attention: Portfolio Manager/City Hyde Park</p> <p>with a copy to:</p> <p>Katten Muchin Rosenman LLP 525 West Monroe Street Chicago, Illinois 60661-3693 Attention: David R Dlugie, Esq. 382255-18</p>
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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 the Redevelopment Plan 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 (A) 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%), (B) reduce by more than 5,000 the number of square feet required pursuant to Section 7.01(c)(iii), (C) materially change the Property or character of the Project or any activities undertaken by Developer affecting the Property, the Project, or both, or (D) increase any time agreed for performance by 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 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 Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04. Further Assurances. 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 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 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. 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.

18.09. 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.

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

18.11. 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.

18.12. 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.

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

18.14. Assignment. Except as permitted in Section 8.01(j) hereof, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.02 (Covenant to Redevelop), Section 8.06 (Jobs, Occupancy and Operations Covenant), Section 8.19 (Real Estate Provisions), Section 8.25 (Affordable Housing Covenant), Section 8.27 (FOIA and Local Records Act Compliance) and Section 8.28 (Survival of Covenants) hereof, for the Term of the Agreement. The proposed buyer or assignee of the Developer must be qualified to do business with the City (including but not limited to provision of Economic Development Statement(s) and compliance with anti-scofflaw requirements). Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.16. Force Majeure. Neither the City nor 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 acts of nature 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.

18.17. Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 Developer has locations in the State. Failure by 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.

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

18.19. 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-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.20. Business Relationships That Create Financial Interests. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (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 that creates a Financial Interest, 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 that creates a Financial Interest, 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 that creates a Financial Interest, 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.

18.21. 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.

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

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.

1525 HP, LLC,
an Indiana limited liability company

By: 
Name: David Gefsky
Title: Vice President

CITY OF CHICAGO, an Illinois municipal corporation

By: _____
Name: Andrew J. Mooney
Title: Commissioner, Department of
Planning and Development

LIMITED JOINDER:

The undersigned executes below solely for the purposes of making the representations, warranties and covenants included in Section 11.03 of this Agreement.

LYRICAL-ANTHEUS REALTY PARTNERS, L.P.,
a Delaware limited partnership

By: Lyrical-Antheus GP, LLC,
a Delaware limited liability company,
its General Partner

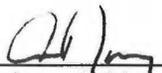
By: 
Name: David Gefsky
Title: Vice President

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.

1525 HP, LLC,
an Indiana limited liability company

By: _____
Name: David Gefsky
Title: Vice President

CITY OF CHICAGO, an Illinois municipal corporation

By:  _____
Name: Andrew J. Mooney
Title: Commissioner, Department of
Planning and Development

LIMITED JOINDER:

The undersigned executes below solely for the purposes of making the representations, warranties and covenants included in Section 11.03 of this Agreement.

LYRICAL-ANTHEUS REALTY PARTNERS, L.P.,
a Delaware limited partnership

By: Lyrical-Antheus GP, LLC,
a Delaware limited liability company,
its General Partner

By: _____
Name: David Gefsky
Title: Vice President

STATE OF NEW JERSEY)
) SS
COUNTY OF BERGEN)

I, Jeanette Marie Colon, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David Gefsky, personally known to me to be the Vice President of Lyrical-Antheus GP, LLC, a Delaware limited liability company, as General Partner for Lyrical-Antheus Realty Partners, L.P., a Delaware limited partnership (the "LAGPLLC"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by LAGPLLC, as his free and voluntary act and as the free and voluntary act of LAGPLLC, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28 day of May, 20 17.

Jeanette Marie Colon
Notary Public

My Commission Expires 4/12/2017

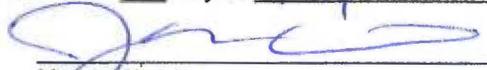
(SEAL)



STATE OF NEW JERSEY)
) SS
COUNTY OF BERGEN)

I, Jeanette Marie Colon, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David Gefsky, personally known to me to be the Vice President of 1525 HP, LLC, a an Indiana limited liability company, (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Developer, as his free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28 day of May, 2014.



Notary Public

My Commission Expires 4/12/2017

(SEAL)

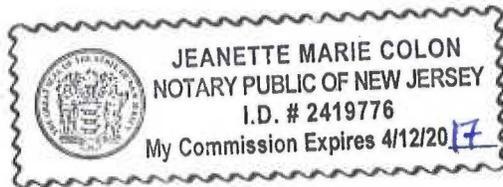


EXHIBIT A
REDEVELOPMENT AREA

[See Attached.]

Exhibit "A".

Legal Description Of The Area.

All that part of the east half of the southeast quarter of Section 11, Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the northwest corner of Lot 10 in Cornell's Resubdivision of Blocks 15 and 16 of Hyde Park, a subdivision of the east half of the southeast quarter and the east half of the northeast fractional quarter of Section 11, and the north part of the southwest fractional quarter of Section 12 and the northeast quarter of the northeast quarter of Section 14, all in Township 38 North, Range 14 East of the Third Principal Meridian; thence east along the north line of Lot 10 and along the north line of Lot 5 and the easterly extension of the north line of Lot 5 in Cornell's Resubdivision aforesaid to the easterly line of vacated South Lake Park Avenue vacated by ordinance passed by the City Council of the City of Chicago on August 25, 1966; thence northerly along the easterly line of vacated South Lake Park Avenue aforesaid to the south line of Hyde Park Boulevard as widened; thence west along the south line of Hyde Park Boulevard as widened to the east line of South Harper Avenue; thence south along the east line of South Harper Avenue to the intersection with the easterly extension of the south line of Lot 2 in Block 14 in aforesaid Hyde Park; thence west along the easterly extension of the south line of Lot 2 aforesaid to the southeast corner of Lot 2 in Block 14 in aforesaid Hyde Park; thence south along the west line of South Harper Avenue to the point of intersection with the westerly extension of the north line of Lot 10 in Cornell's Resubdivision aforesaid; thence east along the westerly extension of the north line of Lot 10 in Cornell's Resubdivision aforesaid to the northwest corner of Lot 10, being the point of beginning, all in the City of Chicago, Cook County, Illinois.

Street Location Of The Area.

The area is generally bounded by Hyde Park Boulevard (also known as 51st Street) on the north; Lake Park Avenue on the east; the southern boundary line of Tax Parcels 20-11-405-008-0000 and 20-11-405-009-0000 on the south; and the west side of Harper Avenue on the west.

EXHIBIT B

PROPERTY

LEGAL DESCRIPTION

PARCEL 1:

A PARCEL OF LAND COMPRISED OF THE FOLLOWING:

(A) ALL OF LOTS 1, 2 AND 3 IN OWNER'S DIVISION OF LOTS 1, 2, 3, 4, 11, 12, 13, 14, 15, AND 16 (EXCEPT THE NORTH 17 FEET OF SAID LOTS 1 AND 16) IN BLOCK 15 IN CORNELL'S RESUBDIVISION OF BLOCKS 15 AND 16 IN HYDE PARK, BEING A SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS,

(B) A PART OF LOT 2 IN BLOCK 16 IN CORNELL'S RESUBDIVISION OF BLOCKS 15 AND 16 IN HYDE PARK, BEING A SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS,

(C) A PART OF EACH OF LOTS 4, 5, 6, 7, 8, 9, 10 AND 11 IN L. B. CURRY'S SUBDIVISION OF LOT 1 IN BLOCK 16 IN CORNELL'S RESUBDIVISION OF BLOCKS 15 AND 16 IN HYDE PARK, BEING A SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, AND

(D) A PART OF SOUTH LAKE PARK AVENUE VACATED BY ORDINANCE PASSED BY THE CITY COUNCIL OF THE CITY OF CHICAGO ON AUGUST 25, 1966,

SAID PARCEL OF LAND BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 4 IN L. B. CURRY'S SUBDIVISION AFORESAID AND RUNNING THENCE EAST ALONG THE NORTH LINE OF SAID LOT 4, A DISTANCE OF 4.65 FEET; THENCE SOUTHWARDLY ALONG THE WESTERLY LINE OF SOUTH LAKE PARK AVENUE, 80 FEET WIDE, OPENED BY RESOLUTION ADOPTED BY THE CITY COUNCIL OF THE CITY OF CHICAGO ON AUGUST 25, 1966 (SAID WESTERLY LINE BEING THE ARC OF A CIRCLE CONVEX TO THE NORTH EAST, HAVING A RADIUS OF 5,000 FEET, AND BEING 80 FEET WESTERLY FROM AND CONCENTRIC WITH THE WESTERLY LINE OF THE RIGHT OF WAY OF THE ILLINOIS CENTRAL RAILROAD), A DISTANCE OF 289.24 FEET TO THE POINT OF INTERSECTION OF SAID WESTERLY LINE OF SOUTH LAKE PARK AVENUE WITH THE SOUTH LINE PRODUCED EAST OF SAID LOT 3, IN OWNER'S DIVISION AFORESAID; THENCE WEST ALONG THE SOUTH LINE PRODUCED EAST OF SAID LOT 3, ALONG THE SOUTH LINE OF SAID LOT 3, AND ALONG THE SOUTH LINE OF LOT 2 IN SAID OWNER'S DIVISION, A DISTANCE OF 340.58 FEET TO THE SOUTH WEST CORNER OF SAID LOT 2; THENCE NORTH ALONG THE WEST LINE OF SAID LOT 2 AND ALONG THE WEST LINE OF LOT 1 IN SAID OWNERS DIVISION, A DISTANCE OF 283.93 FEET TO THE NORTHWEST CORNER OF SAID LOT 1; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 1, IN

OWNER'S DIVISION AFORESAID, A DISTANCE OF 215.96 FEET TO THE NORTH EAST CORNER OF SAID LOT 1; AND THENCE EAST ALONG A STRAIGHT LINE, A DISTANCE OF 67.15 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

Tax Parcel Nos. 20-11-405-008-0000
 20-11-405-009-0000
 20-11-406-026-0000

PARCEL 2:

NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS CREATED BY GRANT OF TEMPORARY CONSTRUCTION EASEMENT AGREEMENT DATED NOVEMBER 7, 2013 AND RECORDED FEBRUARY 11, 2014 AS DOCUMENT 1404229084 AND RE-RECORDED APRIL 23, 2014 AS DOCUMENT 1411313006.

Tax Parcel No. 20-11-405-010-0000

*1525 E. Hyde Park Blvd.
Chicago, IL 60615*

EXHIBIT C

TIF-FUNDED IMPROVEMENTS*

<u>Line Item</u>	<u>Cost</u>
Demolition of buildings, site preparation, 50% of the cost to construct affordable housing units, engineering fees:	\$11,532,641*

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed the Maximum TIF Assistance.

EXHIBIT D

[Intentionally Omitted.]

EXHIBIT E

CONSTRUCTION CONTRACT

[Not Attached for Recording Purposes.]

EXHIBIT F

GREEN INITIATIVES

[Not Attached for Recording Purposes]

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property on the Closing Date:

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 Developer or the Project, other than liens against the Property, after the Closing Date:

(i) Declaration Of Covenants, Conditions, Restrictions and Easements associated with conversion of the Property to a vertical subdivision.

(ii) Grant of Sanitary Sewer Easement made by 1525 HP, LLC, an Indiana limited liability company, as Grantor, to Lakeside Bank, not personally, but solely as Trustee under a Trust Agreement dated August 18, 2006 and known as Trust Number 10 2890, as Grantee, for a perpetual and non-exclusive easement for sanitary sewer purposes.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT H-1

PROJECT BUDGET

<u>Category</u>	<u>Amount</u>
Demolition and Site Prep	\$ 6,191,513
Retail Hard Costs	28,317,070
Residential Hard Costs	56,424,626
Public Improvements	950,322
Project Soft Costs	9,474,041
Finance Costs	5,678,238
Acquisition Costs	<u>6,409,854</u>
Total Project Costs	\$113,445,664

EXHIBIT H-2

MBE/WBE BUDGET

Hard Costs	\$75,435,055
Soft Costs/Fees	<u>5,793,198</u>
MBE/WBE Project Budget	\$81,228,253
MBE Total at 24%	\$19,494,781
WBE Total at 4%	\$ 3,249,130

EXHIBIT I

APPROVED PRIOR EXPENDITURES

[Not Attached for Recording Purposes.]

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[Not attached for Recording purposes.]

EXHIBIT K

FORM OF JOBS CERTIFICATE

[Not Attached for Recording Purposes.]

EXHIBIT L
FORM OF CITY NOTE A

REGISTERED
NO. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO
TAX INCREMENT ALLOCATION REVENUE NOTE (1525 HP, LLC
REDEVELOPMENT PROJECT), TAX-EXEMPT SERIES 20__A

Registered Owner: [DEVELOPER]

Interest Rate: ____ per annum

Maturity Date: _____ [twenty years from issuance date/expiration of the
Redevelopment Project Area]

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 in accordance with Schedule A attached hereto to the extent that Available Incremental Taxes (City Note A) (as defined in the hereinafter defined Redevelopment Agreement) are available, to reimburse the costs of the Project (as hereinafter defined) in accordance with the ordinance hereinafter referred to and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note payable solely from the Available Incremental Taxes (City Note A) (as defined in the hereinafter defined Redevelopment Agreement) is due June 1 of each year in accordance with the terms and conditions of the Redevelopment

Agreement 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.

This Note is issued by the City in the principal amount of \$_____ for the purpose of reimbursing the costs of certain eligible redevelopment project costs incurred by the Developer (as defined in the Redevelopment Agreement) on behalf of the City (the "Project"), which has been constructed in connection with the development of an approximately 2.08 acre site in the 51st and Lake Park 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 [DATE OF ORDINANCE] (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 ("Available Incremental Taxes (City Note A)"), in order to pay the principal and interest of this Note. Reference is hereby made to the

aforesaid Ordinance and the hereinafter defined 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 (CITY NOTE A), 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 City may not prepay, without the Developer's consent, City Note A, for a period of five years (the "Lock-Out Period") from the date of issuance of the Certificate of Completion. The principal of this Note is subject to redemption after the Lock-Out Period (i) on any date, as a whole or in part, and (ii) from unexpended proceeds of the Note, if any, remaining in accordance with the hereinafter defined Redevelopment Agreement, in each case at a redemption price of 100% of the principal amount thereof being redeemed, plus accrued but unpaid interest. 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 \$_____. 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 _____, 20____ between the City and the Developer (the "Redevelopment Agreement"), the Developer has agreed to construct the Project and to advance funds related to the Project on behalf of the City. The cost of such Project completion in the amount of \$_____ shall be deemed to be a disbursement of the proceeds 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 (1525 HP, LLC Redevelopment Project), Series 20__A of the City of Chicago, Cook County, Illinois.

Comptroller

Date: _____, 20__

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 PLANNING AND DEVELOPMENT

BY:

ITS:

[CERTIFICATION OF EXPENDITURE]

(Insert Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$ _____ Tax Increment Allocation Revenue Note
(1525 HP, LLC Redevelopment Project, Tax-Exempt Series 20__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 _____, 20__ (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.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Insert date Certificate of Completion is issued).

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning
and Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT M

FORM OF CITY NOTE B

REGISTERED
NO. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO
TAX INCREMENT ALLOCATION REVENUE NOTE
(1525 HP, LLC REDEVELOPMENT PROJECT),
TAXABLE SERIES 20__B

Registered Owner: [DEVELOPER]

Interest Rate: _____ per annum

Maturity Date: _____, _____ [twenty years from issuance date/expiration of the
Redevelopment Project Area]

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 in accordance with Schedule A attached hereto, to the extent that Available Incremental Taxes (City Note B) (as defined in the hereinafter defined Redevelopment Agreement) are available to reimburse the costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note payable solely from the Available Incremental Taxes (City Note B) (as defined in the hereinafter defined Redevelopment Agreement) is due

June 1 of each year in accordance with the terms and conditions of the Redevelopment Agreement 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.

This Note is issued by the City in the principal amount of \$_____ for the purpose of reimbursing the costs of certain eligible redevelopment project costs incurred by the Developer (as defined in the Redevelopment Agreement) on behalf of the City (the "Project"), which were constructed in connection with the development of an approximately 2.08 acre site in the 51st and Lake Park 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 [INSERT ORDINANCE DATE] (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 ("Available Incremental Taxes (City Note

B)”), in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the hereinafter defined 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 (CITY NOTE B), 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, plus accrued but unpaid interest. 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 \$_____.

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 _____, 20__ between the City and the Developer (the "Redevelopment Agreement"), the Developer has agreed to construct the Project and to advance funds related to the Project on behalf of the City. The cost of such Project completion 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 suspend payments of principal and of interest on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred (subject to applicable cure provisions). 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 (1525 HP, LLC Redevelopment Project), Series 20__B of the City of Chicago, Cook County, Illinois.

Comptroller

Date: _____, 20__

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 PLANNING AND DEVELOPMENT

BY:

ITS:

[CERTIFICATION OF EXPENDITURE]

(Insert Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(1525 HP, LLC Redevelopment Project, Taxable Series 20__B)
(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 _____, 20__ (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.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Insert date Certificate of Completion is issued).

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning
and Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT N

FORM OF SUBORDINATION AGREEMENT

[Not attached for Recording purposes.]

EXHIBIT O

FORM OF PAYMENT BOND

[Not Attached for Recording Purposes.]

EXHIBIT P

PROHIBITED USES

Uses that shall not be permitted on the Property are as follows:

1. Funeral homes.
2. Production, manufacturing and/or industrial use (as such terms are generally used and understood in commerce) of any kind or nature.
3. "Head Shops," pornographic "adult" bookstores, tattoo parlors, massage parlors.
4. Car washes, gasoline or service stations, or the display, repair, lease, rent or sale of any motor vehicle, boat or trailer.
5. Convenience stores, storage/warehouse uses, currency exchange, tavern, video stores, dollar stores, resale store or packaged goods stores.
6. Any use which creates a nuisance or materially increases noise or emissions of dust, odor, smoke or gases.
7. Any use which materially increases the risk of fire, explosion or radioactive hazard.
8. Any use involving Hazardous Materials.
9. Thrift stores or flea markets, excluding auction rooms, art or antique stores, or establishments selling books on a consignment basis.

EXHIBIT Q-1

FORM OF EMPLOYEMENT PLAN

[Not Attached for Recording Purposes.]

EXHIBIT Q-2

JOB READINESS COVENANT FOR INCLUSION IN TENANT AND COMMERCIAL LEASES

Note: Defined terms will be adjusted to conform to the various leases.

Tenant acknowledges that the Development is subject to the terms of that certain 1525 HP, LLC Redevelopment Agreement (the "Redevelopment Agreement") by and between the City of Chicago, an Illinois municipal corporation (the "City"), by and through its Department of Planning and Development ("DPD"), pursuant to which the City, through the DPD's Workforce Solutions Division, encourages the recruitment, hiring, and training of City residents for the jobs created by the construction and operation of the Development. Tenant shall comply with the City's requirements in furtherance of such program from time to time, including (a) meeting with representatives of the City regarding the possible training and hiring of City residents, (b) completing and submitting to the City an employee needs assessment form as requested by Workforce Solutions Division, (c) providing job descriptions and other materials as may be requested by the City, including an employment plan for Tenant, a form of which is set forth as Exhibit [] hereto, and (d) making reasonable efforts to participate in the employment plan, including considering (without the obligation to hire) the employment of candidates referred to Tenant by the City.

EXHIBIT R

AFFORDABLE HOUSING PROFILE FORM (RENTAL)

[Not Attached for Recording Purposes.]

EXHIBIT S
FORM OF
AFFORDABLE HOUSING COVENANT AND LIEN

THIS INSTRUMENT PREPARED BY,
AND AFTER RECORDING, PLEASE
RETURN TO:

Saundra N. Fried
City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

(Above Space for Recorder's Use Only)

AFFORDABLE HOUSING COVENANT AND LIEN
(ARO - Rental Project)

THIS AFFORDABLE HOUSING COVENANT AND LIEN (this "Covenant") dated as of _____, 2013, is made by 1525 HP, LLC, an Indiana limited liability company qualified to do business in Illinois ("Developer"), for the benefit of the CITY OF CHICAGO, an Illinois municipal corporation (the "City"), acting by and through its Department of Planning and Development (the "Department"). Capitalized terms not otherwise defined herein shall have the meanings given in Section 1.

RECITALS

A. Developer is the owner of the property located at [INSERT ADDRESS], Chicago, Illinois, as legally described on Exhibit A attached hereto (the "**Property**").

B. In connection with the Development of the Property (the "**Project**"), and as more fully described in the Affordable Housing Profile Form attached hereto as Exhibit B, the Developer has received Zoning Assistance from the City.

C. Pursuant to Section 2-45-110 of the Municipal Code (the "**Affordable Requirements Ordinance**" or the "**ARO**"), the City requires any developer of a Residential Housing Project receiving Acquisition Assistance, Financial Assistance or Zoning Assistance to establish affordable housing through (a) the development of Eligible Units as part of the Residential Housing Project, or (b) the payment of a fee in lieu of such development of Eligible Units, or (c) a combination of (a) and (b), which requirement must be satisfied prior to the

issuance of a building permit through either (i) the recordation of a lien, regulatory agreement or similar instrument against the Property, imposing such affordable housing requirements as covenants running with the land in order to secure their performance, or (ii) the payment of the required fee.

D. The Developer is executing this Covenant to satisfy the requirements set forth in Section 2-45-110 of the Municipal Code in lieu of payment of the required fee.

NOW THEREFORE, Developer agrees and covenants as follows:

Section 1. Definitions.

"Acquisition Assistance" means the City's sale of real property to any developer on which a Residential Housing Project is subsequently developed.

"Affordable Housing Profile Form" means the agreement attached hereto as Exhibit B, specifying the number and types of affordable units required for the Project.

"AMI" means the median household income for the Chicago Primary Metropolitan Statistical Area as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development or any successor.

"Commissioner" means the commissioner of the Department of Planning and Development of the City, or any successor department.

"Completion Date" means the earlier of (a) the issuance of the certificate of occupancy for the Project (or the residential portion of the Project if the Project is a mixed-use development), or (b) the first day of the initial lease of Units in the Project.

"Development" means the construction or Substantial Rehabilitation of housing units or the conversion of any building into residential condominiums.

"Eligible Units" means those Units in the Project which will be occupied by or available for occupancy to Low-Income Households. The Eligible Units must be similar in size, construction, design, appearance and lot size as the market rate Units of the same number of bedrooms in the Project.

"Final Lease Commencement Date" means the date on which the last (in this case, the thirty-sixth) Eligible Unit in the Project is first leased to a Low-Income Household.

"Financial Assistance" means any assistance provided by the City through grants, direct or indirect loans, or allocation of tax credits for the Development of Units.

"Household" means and includes an individual, a group of unrelated individuals or a family, in each case residing in one Unit.

"Imputed Income Limitation" means, for each Eligible Unit, the Income Limit which would apply to the Household occupying such Eligible Unit if the number of individuals in the Household were as follows: (a) in the case of an Eligible Unit which does not have a separate bedroom, one individual; and (b) in the case of an Eligible Unit which has one or more separate bedrooms, 1.5 individuals for each separate bedroom.

“Low-Income Household” means a Household whose adjusted annual income does not exceed 60% of AMI at the time of the first rental of an Eligible Unit by that Household.

“Municipal Code” means the Municipal Code of the City of Chicago.

“Residential Housing Project” means one or more buildings that collectively contain ten (10) or more Units on one or more tax parcels or lots marketed as a single or unified project or sharing common elements, or comprising a part of a planned development or the addition of ten (10) or more Units to an existing building.

“Substantial Rehabilitation” means the reconstruction, enlargement, installation, repair, alteration, improvement or renovation of a building, structure or portion thereof requiring a permit issued by the City; provided the cost of the Substantial Rehabilitation must be \$25,000.00 or more per Unit.

“TIF Guidelines” means those guidelines established pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., and adopted by the City Council in “An Ordinance Adopting Guidelines for Use of Tax Increment Financing Revenues for Construction of Affordable Housing” passed on July 31, 2002, and published at pages 90838-90859 of the Journal of the Proceedings of the City Council of that date.

“Unit” means a room or suite of rooms designed, occupied, or intended for occupancy as a separate living quarter with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of the occupants of the unit; provided that a “Unit” does not include dormitories, or a “hotel” as that term is defined in Section 13-4-010 of the Municipal Code.

“Zoning Assistance” means City approval of a rezoning of a lot (i) to permit a higher floor area ratio than would otherwise be permitted in the base district in which the Property is located at the time of such rezoning and the lot is subsequently developed with a Residential Housing Project; (ii) from a zoning district that does not allow household living uses to a zoning district that allows household living uses and the lot is subsequently developed with a Residential Housing Project; and/or (iii) from a zoning district that does not allow household living uses on the ground floor of a building to a zoning district that permits household living uses on the ground floor, and the ground floor is subsequently developed with a Residential Housing Project.

Section 2. Term of Covenant. Developer, for itself and its successors and assigns, agrees to be bound by the terms and provisions of this Covenant for the period (the **“Covenant Term”**) commencing on the date hereof and expiring on the earlier of (a) the thirtieth (30th) anniversary of the Final Lease Commencement Date, or (b) the date on which a first mortgagee providing construction or permanent financing for the Project (or an entity controlled solely by or under common control with such first mortgagee) acquires title to the Project by foreclosure or deed in lieu of foreclosure (except if such acquisition of title by the first mortgagee is found to be the result of collusion with the Developer), or (c) the date on which an authorized condemning authority acquires the Project by condemnation. Developer shall inform the Department of the date the Project (or the residential portion of the Project if the Project is a mixed-use development) receives a certificate of occupancy from the City, or, if no certificate of occupancy is issued, the date of the commencement of the first lease term of a Project Unit, within 60 days following Developer’s receipt of the certificate of occupancy or the executed initial lease, as the case may be.

Section 3. Covenant Running with the Land. Developer hereby declares its express intent that the covenants and agreements set forth herein shall be deemed covenants running with the land from the date hereof to the expiration of the Covenant Term and shall pass to any person or entity (except tenants of the Units) to whom Developer may sell or assign all or a portion of its interest in the Property or any successor in title to all or a portion of the Property. In the event Developer sells or assigns all or any portion of the Property or Project it shall notify the City within sixty (60) days of such sale or assignment.

Section 4. Affordability Restrictions.

4.1 Developer shall comply with the affordable housing commitment required pursuant to Section 2-45-110 of the Municipal Code through establishing and maintaining thirty-six (36) Eligible Units comprised of eleven (11) studio units of approximately 626 square feet and twenty-five (25) one bedroom units of approximately 824 square feet.

4.2 Developer shall rent the Eligible Units required pursuant to Section 4.1 to Low-Income Households only.

4.3 The rent (including tenant-paid heat) charged each month for any Eligible Unit shall not exceed at any time 30% of the Imputed Income Limitation applicable to such Eligible Unit, as updated annually in the document titled "City of Chicago Maximum Affordable Monthly Rents," for a period of 30 years after the first day of the initial lease of such Eligible Unit.

4.4 On or prior to October 31 of each year during the Covenant Term, the Developer shall provide the City with a compliance certificate in substantially the form attached hereto as Exhibit C (the "**Compliance Certificate**"). Developer shall obtain and keep such records as are necessary to enable it to complete the Compliance Certificate and substantiate all statements made therein.

4.5 If on the date that is six (6) months following the Completion Date, the Eligible Units required under Section 4.1 above are not rented or available for rental by Low-Income Households in accordance with this Section 4, and Developer has not made payment to the City as provided by Section 4.1, then Developer shall be in breach of this Covenant and subject to the City's remedies set forth in Section 5. The Department may, in its sole discretion, extend such 6-month period based on the initial leasing of the Units in the Project.

Section 5. Remedies and Enforceability.

5.1 Upon the rental of any Eligible Unit at a rental price in excess of what is permitted by Section 4.3 above, or to a Household that is not a Low-Income Household, Developer shall pay to the City a fee ("**Fee**") of \$500.00 per Eligible Unit per day for each day that Developer is in noncompliance, subject to the right to cure such noncompliance as set forth below.

5.2 Developer shall have ninety (90) days after written notice from the Commissioner to cure any noncompliance with this Covenant. If after ninety (90) days, the Developer fails to cure the noncompliance, the Fee shall be assessed from the first day of noncompliance.

5.3 In addition to the foregoing remedy, the City shall have the right to enforce this Covenant and in furtherance thereof institute any action or proceeding at law or in equity against Developer.

Section 6. General Provisions.

6.1 This Covenant shall be interpreted under the laws of the State of Illinois.

6.2 This Covenant shall not be waived, modified or amended except as set forth in a written document executed by the Commissioner and Developer.

6.3 Any notices and communications under this Covenant shall be in writing and shall be: (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (c) by a reputable overnight express carrier, to the following addresses (or to such other or further addresses as the City or Developer may hereafter designate by like notice similarly sent):

If to Developer: Antheus Capital
32 North Dean Street, 2nd Floor
Englewood, New Jersey 07631
Attention: David Gefsky

and

Silliman Group
5240 S Hyde Park
Chicago, Illinois 60615
Attention: Peter Cassel

With Copies To: Faegre Baker Daniels, LLP
111 E. Wayne St. #800
Fort Wayne, IN 46802
Attention: David Kuker

and

Neal & Leroy, LLC
203 N. LaSalle Street, Suite 2300
Chicago, Illinois 60601
Attention: Carol D. Stubblefield

and (as Lender):

BMO Harris Bank N.A.,
as Administrative Agent
111 West Monroe Street
Chicago, Illinois 60603
Attention: Kim Liautaud

and

BMO Harris Bank N.A.
111 West Monroe Street
Chicago, Illinois 60603

Attention: Portfolio Manager/City Hyde Park

and

Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661-3693
Attention: David R Dlugie, Esq.
382255-18

If to the City: Commissioner
City of Chicago
Department of Planning and Development
121 N. LaSalle, 10th Floor
Chicago, IL 60602

With a copy to: City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

Every notice or other communication hereunder shall be deemed to have been given as of the date evidenced by a receipt from such national courier service or the United States Postal Service or immediately if personally delivered.

6.4 The Developer hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgments, losses, liabilities, damages (including consequential damages), costs and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the City that may arise in any manner out of or in connection with actions or omissions which result from the Developer's responses or documents provided pursuant to the terms of this Covenant or the Compliance Certificate, including breaches of the representations and warranties herein and therein contained.

(SIGNATURE PAGE FOLLOWS)

EXHIBIT A

LEGAL DESCRIPTION

(ATTACHED)

EXHIBIT B

AFFORDABLE HOUSING PROFILE FORM

(ATTACHED)

EXHIBIT C

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

ANNUAL OWNER'S CERTIFICATION FOR PROJECT
SUBJECT TO AFFORDABLE HOUSING COVENANT
OF THE MUNICIPAL CODE OF CHICAGO

Owner: _____

Project Name: _____

Project Address: _____

Date: _____

Owner Federal Employer Identification Number: _____

The Owner has executed an Affordable Housing Covenant and Lien ("**Covenant**") for the benefit of the City of Chicago (the "**City**"). The Covenant was filed with the Office of the Recorder of Deeds of Cook County, Illinois, on _____ (month/date/year). Pursuant to the Covenant, the Owner is required to maintain certain records concerning the Project and the City is authorized to monitor the Project's compliance with the requirements of the Covenant. This Annual Owner's Certification for Project Subject to the Affordable Housing Covenant ("**Compliance Certificate**") must be completed in its entirety and must be executed by the Owner, notarized and returned to the Department of Planning and Development by October 31 of each year until the expiration of the Covenant Term (as defined in Section 2 of the Covenant). No changes may be made to the language contained herein without the prior approval of the City. Except as otherwise specifically indicated, capitalized terms contained herein shall have the same meanings given to such terms in the Covenant.

All forms, including updates to this Compliance Certificate, department contacts, income limits, maximum allowable rents, and guidance for calculating household income are available on the Department of Planning and Development's website, or by contacting the Department directly at 312-744-4190 and requesting to speak with someone regarding ARO Compliance.

A. INFORMATION

1. Please list the address for each building included in the Project. (If necessary, use a separate sheet of paper and attach it to this document.)

Building Address(es):

2. Has any change occurred, either directly or indirectly, (a) in the identity of the Owner, (b) in the identity of any shareholder, partner, member, trustee or other entity holding an ownership interest in the Owner, or (c) which would otherwise cause a change in the identity of the individuals who possess the power to direct the management and policies of the Owner since the date of the Covenant or the most recent Annual Owner's Certification?

Yes _____ No _____

If Yes, provide all the appropriate documents.

3. Have the Owner's organizational documents been amended or otherwise modified since they were submitted to the City?

Yes _____ No _____

If Yes, provide all amendments and modifications of the Owner's organizational documents.

B. REPRESENTATIONS, WARRANTIES AND COVENANTS

The Owner hereby represents and warrants to the City that each of the following statements is true and accurate and covenants as follows:

1. The Owner is [check as applicable]:

- (a) ___ an individual
- (b) ___ a group of individuals
- (c) ___ a corporation incorporated and in good standing in the State of _____
- (d) ___ a general partnership organized under the laws of the State of _____
- (e) ___ a limited partnership organized under the laws of the State of _____
- (f) ___ a limited liability company organized under the laws of the State of _____
- (g) ___ other [please describe]: _____

2. The Owner is [check as applicable] (a) ___ the owner of fee simple title to, or (b) ___ the owner of 100 percent of the beneficial interest in, the Project.

3. The Project consists of _____ building(s) containing a total of _____ residential unit(s), with total rentable square feet of _____.

4. (a) The Covenant requires the Owner to rent thirty-six (36) of the residential units in the Project (the "**Eligible Units**") to individuals whose income is 60 percent or less of the Chicago Primary Metropolitan Statistical Area median income ("**Low-Income Households**").

(b) For the 12-month period preceding the date hereof (the "**Year**"):

- (i) the Eligible Units in the Project (as identified in paragraph 8 below) were occupied or available for occupancy by Low-Income Households;

- (ii) the Owner received an annual income certification from each Low-Income Household at the time of the first rental by that household and documentation to support such certification;
- (iii) all of the units in the Project were for use by the general public and used on a non-transient basis;
- (iv) each building in the Project was suitable for occupancy, taking into account the health, safety and building codes of the City; and
- (v) if an Eligible Unit became vacant during the Year, reasonable attempts were or are being made to rent such Eligible Unit or the next available residential unit in the Project of a comparable size to one or more Low-Income Households.

5. I have attached the Affordable Housing Profile Form signed by the Department of Planning and Development for this Project and acknowledge that I must provide the number and types of affordable units specified in that document.

6. I have attached copies of the first and last pages of the lease for each of the Eligible Units listed in paragraph 8 below. For any new tenants, I have attached copies of all documents required to certify that they are income-eligible.

7. For this Project, tenants pay for the following utilities [check as applicable]:

- (a) electric heat
- (b) cooking gas
- (c) other electric
- (d) gas heat
- (e) electric cooking

8. The following information accurately describes the Eligible Units required in this Project, as of today's date:

	Unit #	Number of bedrooms	Square footage	Rent charged	Household size	Household income	Date household income most recently calculated
1		Studio	626				
2		Studio	626				
3		Studio	626				
4		Studio	626				
5		Studio	626				
6		Studio	626				
7		Studio	626				
8		Studio	626				
9		Studio	626				
10		Studio	626				
11		Studio	626				
1	25	1 br	824				
2		1 br	824				

3		1 br	824				
4		1 br	824				
5		1 br	824				
6		1 br	824				
7		1 br	824				
8		1 br	824				
9		1 br	824				
10		1 br	824				
11		1 br	824				
12		1 br	824				
13		1 br	824				
14		1 br	824				
15		1 br	824				
16		1 br	824				
17		1 br	824				
18		1 br	824				
19		1 br	824				
20		1 br	824				
21		1 br	824				
22		1 br	824				
23		1 br	824				
24		1 br	824				
25		1 br	824				

9. The Project is in compliance with all of the currently applicable requirements of the Covenant. The Owner will take whatever commercially reasonable action is required to ensure that the Project complies with all requirements imposed by the Covenant during the periods required thereby.

The Owner shall retain, for the period required under the Covenant, as from time to time amended and supplemented, all tenant selection documents, which include but are not limited to: income verification, employment verification, credit reports, leases and low-income computation forms, to be available for periodic inspections by the City or its representative. The City, at its option, can periodically inspect the Project, and all tenancy-related documents to determine continued compliance of the Project with all applicable requirements.

10. No litigation or proceedings have been threatened or are pending which may affect the interest of the Owner in the Project or the ability of the Owner to perform its obligations with respect thereto.

11. All Units in each building included in the Project are affirmatively marketed and available for occupancy by all persons regardless of race, national origin, religion, creed, sex, age or handicap.

12. The Owner has not demolished any part of the Project or substantially subtracted from any real or personal property of the Project or permitted the use of any residential rental unit for any purpose other than rental housing. The Owner has used its commercially reasonable best efforts to repair and restore the Project to substantially the same condition as existed prior to the occurrence of any event causing damage or destruction, or to relieve the

condemnation, and thereafter to operate the Project in accordance with the terms of the Affordable Housing Profile Form attached to the Covenant.

13. The Owner has not executed any agreement with provisions contradictory to, or in opposition to, the provisions of the Covenant. The Owner shall continue to cooperate with the City and furnish such documents, reports, exhibits or showings as are required by the Covenant and the City or the City's counsel.

If the Owner is unable to make any representation or warranty set forth above, the Owner must immediately contact the City and inform the City of the reason that the Owner is unable to make such representation or warranty.

Under penalties of perjury, the Owner declares that, to the best of its knowledge and belief, each response, representation, warranty and document delivered by the Owner in connection herewith is true, correct and complete and will continue to be true, correct and complete.

C. PENALTIES FOR NONCOMPLIANCE

Upon the rental of any Eligible Unit at a rental price in excess of what is permitted by Section 4.3 of the Covenant, or to a Household that is not a Low-Income Household, Developer shall pay to the City a fee ("**Fee**") of \$500.00 per Eligible Unit per day for each day that the Developer is in noncompliance, subject to the right to cure such noncompliance as set forth below.

Developer shall have 90 days after written notice from the Commissioner to cure any noncompliance with this Covenant. If after 90 days, the Developer fails to cure the noncompliance, the Fee shall be assessed from the first day of noncompliance.

In addition to the foregoing remedy, the City shall have the right to enforce this Covenant and in furtherance thereof institute any action or proceeding at law or in equity against Developer.

D. INDEMNIFICATION

The Developer hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgments, losses, liabilities, damages (including consequential damages), costs and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the City that may arise in any manner out of or in connection with actions or omissions which result from the Developer's responses or documents provided pursuant to the terms of this Covenant or the Compliance Certificate, including breaches of the representations and warranties herein and therein contained.

IN WITNESS WHEREOF, the Owner has executed this Annual Owner's Certification this day of _____, _____.

Owner: _____

By: _____

Its: _____

Subscribed and sworn to before me this
_____ day of _____, _____.

Notary Public

(SEAL)

EXHIBIT T-1

TIF RECAPTURE AMOUNT
COMPUTATIONS

Computation of Net Operating Income:

Project Revenues
(-) Less all the Operating Expenses of the Project
(=) Net Operating Income

Computation of Operating Expenses of the Project:

Operating Expenses (as set forth in the Financial Statements)
(+) Plus Debt Service
(+) reserves in connection with a Capital Event
(-) Less Replacement Reserves
(-) Less reserves required by a Lender
(-) Less Income Taxes
(-) Less Depreciation
(-) Less Amortization
(=) Operating Expenses of the Project

EXHIBIT T-2

TIF RECAPTURE AMOUNT
ILLUSTRATION

[Not Attached for Recording Purposes.]

EXHIBIT T-3

TIF RECAPTURE AMOUNT
WATERFALL ILLUSTRATION

[Not Attached for Recording Purposes.]