

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

THE 78 REDEVELOPMENT AGREEMENT

This The 78 Redevelopment Agreement (this “Agreement”) is made as of May 15, 2019, by and between the City of Chicago, an Illinois municipal corporation (the “City”), through its Department of Planning and Development (“DPD”) and Department of Transportation (“CDOT”) and Roosevelt/Clark Partners, LLC, a Delaware limited liability company (the “Developer”).

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the “TIF Act”), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects. The City is authorized under the provisions of item (2) of paragraph (l) of Section 6 of Article VII of the 1970 Constitution of the State and the Special Service Area Tax Law, 35 ILCS 200/27 5 et seq., as amended from time-to-time (the “SSA Act” and, together with the TIF Act, the “Act”), to establish one or more special service areas and to provide special governmental services to such areas in addition to those services provided generally throughout the City.

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 April 10, 2019: (1) “An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Roosevelt/Clark Redevelopment Project Area” (the “Plan Adoption Ordinance”); (2) “An Ordinance of the City of Chicago, Illinois Designating the Roosevelt/Clark 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 Roosevelt/Clark 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.

In order to provide for special governmental services to the hereinafter defined Property, in addition to those services provided generally throughout the City, the City Council may in the future adopt ordinances proposing and establishing one or more special service areas including all or a portion of the Property (collectively referred to herein as the “SSA Ordinances”).

D. The Project: The Developer intends to undertake certain public infrastructure improvements that will facilitate the development of a vacant 62-acre site located within the Redevelopment Area and legally described on Exhibit B hereto (the “Property”), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction thereon of the public infrastructure components. Future development of the Property is anticipated to include approximately 13 million square feet of office, educational, residential and retail space. The TIF-Funded Infrastructure Components as defined below (individually, an “Infrastructure Component”, and collectively, “Infrastructure Components”) and set forth on Exhibit C are collectively referred to herein as the “Project.” The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

It is anticipated that the Project will be executed in five components that may overlap in commencement and completion schedules. The TIF-Funded Infrastructure Components are as follows, as more fully described on Exhibit C hereto:

“CTA Red Line Station” shall mean the construction of a new station along the existing Chicago Transit Authority Red Line as approved by the Chicago Transit Authority. The proposed design includes all fare entry and exit occurring southwest of the intersection of South Clark Street and West 15th Street.

“Metra Realignment” shall mean the relocation of existing Metra commuter rail tracks as approved by Metra, signals, cross overs, switching controls, and access roads, into a new relocatable easement and ventilated enclosing structure west of South Clark Street. Also included in the work is a new rail bridge above the 15th Street Construction. Work will occur between West Roosevelt Road and South Archer Avenue.

“Clark Street Improvements” shall mean the realignment and addition of turn lanes, median dividers, utilities improvements as required, street and pedestrian lighting, bike lanes and pedestrian improvements within the existing Clark Street right-of-way and as directed by CDOT.

“15th Street Construction” shall mean the construction of a new roadway in a new public right-of-way to be dedicated between South Clark Street and South Wells Street. Work will include vehicle, pedestrian, bicycle and landscape improvements as well as sewer, water and other utility improvements.

“Sea Wall Improvements” shall mean the reconstruction of the seawall along the South Branch of the Chicago River between West Roosevelt Road and unimproved right-of-way of West 16th Street.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Roosevelt/Clark Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan and Project (the “Redevelopment Plan”) included in the Plan Adoption Ordinance and published in the Journal of the Proceedings of the City Council of April 10, 2019.

F. City Financing: Subject to the conditions and restrictions set forth in Section 4 hereto, the City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) the proceeds of (a) one or more City Notes (defined below), (b) one or more series of Special Service Area bonds (the “SSA Bonds”) secured by SSA Taxes and Available Incremental Taxes issued pursuant to the SSA Act and an SSA bond ordinance (each an “SSA Bond Ordinance”) or (c) a combination of the foregoing and/or (ii) Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Infrastructure Components pursuant to the terms and conditions of this Agreement. The proceeds from the sale of the City Notes and/or SSA Bonds may be used to pay for, reimburse or refinance the costs of the TIF-Funded Infrastructure Components not previously paid for from Incremental Taxes (including any such payment made pursuant to any City Note provided to Developer pursuant to this Agreement) or to make payments of principal and interest on such City Notes or SSA Bonds.

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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11. Environmental Matters	J Opinion of Developer's Counsel
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13. Indemnification	L Requisition Form
14. Maintaining Records/Right to Inspect	M *Form of City Note
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	(An asterisk (*) indicates which exhibits are to be recorded.)

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:

“15th Street Construction” shall have the meaning set forth in the Recitals hereof.

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

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

“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; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements and unaudited financial statements (**Section 8.13**); (2) delivery of updated insurance certificates, if applicable (**Section 8.14**); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.15**); (4) delivery of evidence that the Sustainable Development Policy has been complied with for the Project (**Section 8.23**) and (5) compliance with all other executory provisions of this Agreement.

“Annual Report of Incremental Taxes” means a signed report from a recognized financial consultant approved by the City that sets forth as of its date (i) a description of the Redevelopment Area, (ii) a description of the Project, (iii) a status update of the Project, and (iv) a calculation of the Incremental Taxes constituting the source of funds for payment on any City Note, showing for the Redevelopment Area or applicable tax codes the current year equalized

assessed value, the certified initial equalized assessed value, the incremental equalized assessed value and the composite tax rates for the last five years, as applicable.

“Approved Plans and Specifications” shall mean the plans and specifications prepared by duly licensed engineer(s) depicting the construction of the Infrastructure Components, which plans and specifications have been (i) prepared in consultation with the Consultant Engineer and (ii) approved by the City in its sole discretion, and which plans are identified in Exhibit D attached hereto.

“Available Incremental Taxes” shall mean, for each payment, an amount equal to the Incremental Taxes on deposit in the TIF Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which are available for the financing or payment of Redevelopment Project Costs, after deducting the TIF District Administration Fee.

“Available Project Funds” shall have the meaning set forth for such term in Section 4.07 hereof.

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

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

“CDOT” shall mean the Chicago Department of Transportation.

“Change Order” shall mean any amendment or modification to the Scope Drawings, Approved 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 Funds” shall mean the funds described in Section 4.03(b) hereof.

“City Note” shall mean one or more tax-exempt notes substantially in the form attached hereto as Exhibit M issued by the City to Developer as provided herein. Each City Note shall bear interest at the City Note Interest Rate and shall not provide for accrued, but unpaid, interest to bear interest at the same annual rate.

“City Note Interest Rate” shall mean an annual fixed rate of interest equal to the median value of the 20 year Baa G.O. bond rate as published by Thompson-Reuters Municipal Market Data (“MMD”) for 15 business days prior to the date of issuance plus 225 basis points, but in no event exceeding seven percent (7%).

“Clark Street Improvements” shall have the meaning set forth in the Recitals hereof.

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

“Collateral Assignment” shall mean a collateral assignment of the right to receive payment of City Funds, such collateral assignment made by Developer to secure Lender Financing and in form and substance acceptable to the City in its sole discretion.

“Commencement Date” with respect to an Infrastructure Component shall have the meaning given such term in Section 3.01.

“Completion Date” with respect to an Infrastructure Component shall have the meaning given such term in Section 3.01.

“Compliance Period” shall mean the longer of a period beginning on the date the last Infrastructure Component Completion Certificate is issued and ending on the 10th anniversary of the date the last Infrastructure Component Completion Certificate is issued.

“Component Commencement Letter” shall mean that letter from DPD to the Developer indicating that the Developer has fully complied with all of the conditions of Section 5A.01 herein that apply to the proposed Infrastructure Component.

“Consultant Engineer” shall have the meaning given such term in Section 3.02.

“Construction Contract” shall mean those certain contracts, substantially in the form attached hereto as Exhibit E, to be entered into between the Developer and one or more General Contractors providing for construction of the TIF-Funded Infrastructure Components.

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

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

“CTA Red Line Station” shall have the meaning set forth in the Recitals hereof.

“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 5.12 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 5101 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 funds of Developer (other than funds derived from Lender Financing) available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.03(b).

“Escrow” shall mean the construction escrow established pursuant to the Escrow Agreement.

“Escrow Agreement” shall mean the Escrow Agreement establishing a construction escrow, to be entered into by the City, the Title Company (or an affiliate of the Title Company), Developer and Developer’s lender(s).

“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 annual or quarterly (as applicable) financials statements of Developer certified by a certified public accounting firm in accordance with sound accounting principles and practices consistently applied throughout the appropriate periods.

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

“Guaranteed Maximum Price” shall mean, with respect to each Infrastructure Component, the estimated amount shown on Exhibit C with respect to such Infrastructure Component, as may be modified pursuant to Section 3.03.

“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.

“IEPA” shall mean the Illinois Environmental Protection Agency.

“In Balance” shall have the meaning set forth in Section 4.07 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 TIF 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.

“Infrastructure Component(s)” shall mean, individually or collectively, as applicable, CTA Red Line Station, Metra Realignment, Clark Street Improvements, 15th Street Construction and Sea Wall Improvements.

“Infrastructure Component Completion Certificate” shall mean, with respect to an Infrastructure Component, the issuance of an Infrastructure Component Completion Certificate evidencing that a certain Infrastructure Component has been completed.

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

“IPT Coverage” shall have the meaning set forth for such term in Section 4.03 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.

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

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

“MBE/WBE Budget” shall mean the budget attached hereto as Exhibit H-2, as described in Section 10.03, and as the same may be updated from time to time to reflect the final Guaranteed Maximum Price for each Infrastructure Component.

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

“Metra” shall mean the Commuter Rail Division of the Regional Transportation Authority.

“Metra Realignment” shall have the meaning set forth in the Recitals 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.

“NFR Letter” shall mean a “no further remediation” letter issued by IEPA pursuant to the Site Remediation Program.

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

“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.

“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.

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

“QIB” shall have the meaning set forth for such term in Section 4.03 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 TIF Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

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

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

“Sea Wall Improvements” shall have the meaning set forth in the Recitals hereof.

“Site Remediation Program” shall mean the program for the environmental remediation of the Property undertaken by the Developer and overseen by the IEPA, upon completion of

which (to the satisfaction of the IEPA) the IEPA shall issue an NFR Letter with respect to the Property to the Developer.

“SSA” shall have the meaning set forth in Section 4.03.

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

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

“SSA Bond Ordinance” shall have the meaning set forth in the Recitals hereof.

“SSA Bond Proceeds” shall have the meaning set forth in the Recitals hereof.

“SSA Taxes” shall have the meaning set forth in Section 4.03.

“Survey(s)” shall mean a plats of survey in the most recently revised form of ALTA/ACSM land title survey of the Property owned by Developer, meeting the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2016, 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 any Infrastructure Components and related improvements as required by the City or lender(s) providing Lender Financing).

“Sustainable Development Policy” shall mean the Sustainable Development Policy of the City as in effect on the Closing Date.

“Tax Administrator” shall have the meaning set forth for such term in Section 4.03 hereof.

“Tax Administrator Costs” shall have the meaning set forth for such term in Section 4.03 hereof.

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2043).

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

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

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

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

“TIF-Funded Infrastructure Components” 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 Infrastructure Components for the Project.

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

“Title Company” shall mean Chicago Title Insurance Company.

“Title Policy” shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing fee simple title to the Property owned by Developer, subject to Permitted Mortgage(s) and showing Developer as the insured in the full amount of the City Funds, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement 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.).

“Warranty Period” shall have the meaning set forth in Section 8.06.

“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 Project, the Developer intends, pursuant to the Approved Plans and Specifications and subject to the provisions of Section 18.17 hereof, to begin construction of the applicable Infrastructure Component on or before the Commencement Date, and complete construction of such Infrastructure Component on or before the Completion Date, indicated in the chart below. It is acknowledged by all parties that Commencement Dates and Completion Dates are merely estimates, provided, however, that the latest Commencement Date for any Infrastructure Component shall occur not later than 10 years after the execution of this Agreement, and the costs of any Infrastructure Component whose Commencement Date occurs later than 10 years after the execution of this Agreement shall at the City's election not be eligible to receive reimbursement of City Funds. The parties to this Agreement acknowledge and agree that, with the exception of the Sea Wall Improvements (which will be subject to a perpetual public easement in favor of the City) and the Metra Realignment (which will be subject to a relocatable easement in favor of Metra), all Infrastructure Components shall be owned by the City or other governmental or quasi-governmental entity, as applicable, and not owned by the Developer or other private person. The ownership and rights described in the preceding sentence shall remain true and accurate irrespective of the Developer's source of funds described in Sections 4.01 and 4.02 or otherwise (e.g. Equity, Lender Financing, City Funds) that are directly or indirectly associated with the Infrastructure Components or other portions of the Project. Nothing in this Agreement modifies the Developer's obligations under that certain

Agreement for Wells Wentworth Infrastructure and Water Management Facilities dated as of December 20, 2018 by and between the Developer and the City, acting by and through CDOT and its Department of Water Management.

Infrastructure Component	Commencement Date	Completion Date
CTA Red Line Station	December 31, 2024	December 31, 2028
Metra Realignment	December 31, 2020	December 31, 2023
Clark Street Improvements	December 31, 2021	December 31, 2024
15th Street Construction	December 31, 2021	December 31, 2023
Sea Wall Improvements	December 31, 2020	December 31, 2022

3.02 Preconditions to Construction.

(a) Scope Drawings and Approved Plans and Specifications. Prior to the start of construction of each Infrastructure Component, the Developer will provide to DPD and CDOT detailed Scope Drawings and Approved Plans and Specifications, including a project budget for each Infrastructure Component, which are required to be approved by the City in its sole discretion. Developer shall conduct the construction of the applicable Infrastructure Component in accordance with the Approved Plans and Specifications. Each Infrastructure Component shall be completed to “CDOT standard” which means that all materials and work shall be designed, installed, and constructed in accordance with (i) the most current version of the CDOT’s Regulations for Opening, Repair and Construction in the Public Way and its appendices and correlated standards of other departments, or the successor standards or publication adopted by CDOT, (ii) the current AASHTO standards, and (iii) the current IDOT standards. No material deviation from the Approved Plans and Specifications shall be made without the prior written approval of CDOT. The Approved Plans and Specifications shall substantially conform to the terms of this Agreement and applicable federal, state and local laws, ordinances and regulations.

With respect to any Infrastructure Component that is not built to the Approved Plans and Specifications and not issued an Infrastructure Component Completion Certificate by the City, none of the costs of such Infrastructure Component will be eligible to receive reimbursement from City Funds. At the City’s election, Developer shall be required to fund the additional cost of bringing the Infrastructure Component into compliance with the Approved Plans and Specifications, and such additional costs will not be subject to reimbursement from City Funds until such time as an Infrastructure Component Completion Certificate is issued.

Developer shall retain the services of a qualified and licensed engineer experienced in the construction of Infrastructure Components and approved by CDOT (“Consultant Engineer”). The Consultant Engineer shall report to CDOT and be responsible for seeing that the Infrastructure Components are constructed in accordance with the Approved Plans and Specifications. The Consultant Engineer’s scope of work shall include, but not be limited to, preparation of all construction documentation in accordance with the applicable requirements of CDOT’s Construction Manual, quality assurance and quality control, review of all contractor

submittals including shop drawings, material submittals and catalogue cuts, providing planning coordination, determining the appropriateness of any proposed modifications to the Plans and Specifications, preparing punchlists on behalf of the City and supervising project closeout and acceptance of the work. Staffing shall be as determined by agreement of the City and Developer, and shall be adequate to cover all aspects of the construction of the Infrastructure Components.

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

(b) Other Governmental Approvals. Prior to the start of construction of each Infrastructure Component, the Developer shall have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD

(c) Financing. If the sources of funds described in Section 4.01 include any amounts of Equity or Lender Financing, Developer shall have furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the applicable Infrastructure Component and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, Developer shall furnish proof that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the other sources set forth in Section 4.01) to complete the Infrastructure Component.

3.03 Project Budget. In addition to detailed Scope Drawings and Approved Plans and Specifications, prior to the start of construction of each Infrastructure Component, the Developer will provide to DPD and CDOT an estimated project budget for each Infrastructure Component. Starting 4 months following the Closing Date and every month thereafter, the Developer agrees to place \$30,000 in escrow, in an aggregate amount not to exceed \$1,800,000, for project management oversight for the Project, subject to reimbursement as provided herein.

A final budget approved by DPD in its sole discretion, in consultation with CDOT, will be included as part of the Approved Plans and Specifications and will establish a Guaranteed Maximum Price for each Infrastructure Component. If approved by DPD in its sole discretion, the Guaranteed Maximum Price for an Infrastructure Component may be higher or lower than the estimated budget shown in Exhibit H-1, but in no case will the reimbursement for all Infrastructure Components exceed the total amount of City Funds. Exhibit C shall be modified to reflect the Guaranteed Maximum Price for an Infrastructure Component established pursuant to this Section 3.03 and may include additional line items.

Developer has furnished to DPD, and DPD has approved, a final Project Budget showing total costs for the Project in an amount not less than \$561,300,000. Developer hereby certifies to the City that, prior to commencing construction on an Infrastructure Component (a) it

shall have Lender Financing and Equity described in Section 4.02 hereof in an amount sufficient to pay for all costs; and (b) the Project Budget with respect to such Infrastructure Component is a good faith reasonable estimate of anticipated costs. Developer shall promptly deliver to DPD and/or the applicable City agency 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 material amendments or modifications to the Approved Plans and Specifications, the Guaranteed Maximum Price, or the Schedule for any Infrastructure Component 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 Developer to the City for the City's prior written approval: (a) a delay in the completion of the CTA Red Line Station by two years or more; (b) a delay in the completion of any Infrastructure Component other than the CTA Red Line Station by 365 days or more; (c) Change Orders resulting in an aggregate increase to the Guaranteed Maximum Price for an Infrastructure Component of more than one percent (1%); and (d) any reallocation among line items within the Guaranteed Maximum Price for an Infrastructure Component exceeding 10% of the Guaranteed Maximum Price for such Infrastructure Component. The upper limits for any delay or the expenditure of contingency funds shall be mutually agreed upon by the Developer and CDOT for each Infrastructure Component as part of the Approved Plans and Specifications, but in no case shall exceed a delay in the Schedule of more than 365 days (or two years in the case of the CTA Red Line Station), or the expenditure of contingency funds of more than 10% in the aggregate. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval. 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 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, but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

3.05 City Approval. Any approval granted by the City of the Scope Drawings, Approved 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, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Developer shall not commence construction of any Infrastructure Component of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope

Drawings and Approved Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding or insurance as required hereunder.

3.07 Progress Reports and Survey Updates. Developer shall provide the City with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring a notice to DPD as set forth in the final sentence of Section 3.04). Developer shall provide three (3) copies of updated Survey(s) to DPD upon the request of the City or any lender providing Lender Financing, reflecting any Infrastructure Improvements and other improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (which may include Developer's architect if approved by DPD) shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. If an architect other than Developer's architect is selected as inspecting agent or architect, DPD shall solicit bids from qualified architects and select the lowest responsible bid. 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 hereunder. If approved by DPD, the inspecting agent or architect may be the same one being used in such role by the lender providing Lender Financing, provided that such agent or architect (a) is not also the Developer's agent or architect and (b) acknowledges in writing to the City that the City may rely on the findings of such agent or architect.

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

3.10 Signs and Public Relations. 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 Developer, the Property and the Project in the City's promotional literature and communications.

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$561,300,000, to be applied in the manner set forth in the Project Budget. Such costs shall be funded through the following sources:

Sources of Funds (1)(2)	Amount
Lender Financing	\$0
City Funds	\$551,200,000
Equity	\$10,100,000
Total	\$561,300,000

(1) City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Infrastructure Components that constitute Redevelopment Project Costs. The payment of City Funds, including the timing of payment, is subject to the terms and conditions of this Agreement, including but not limited to **Section 4.03** and **Section 5** hereof.

(2) If the aggregate cost of the TIF-Funded Infrastructure Components exceeds City Funds available pursuant to **Section 4.03** hereof, or if the cost of completing the Project exceeds the Project Budget, Developer shall be solely responsible for such excess cost from Lender Financing and/or Equity. 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 Infrastructure Components in excess of City Funds and of completing the Project.

4.02 Developer Funds. If required, Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Infrastructure Components.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Infrastructure Components that constitute Redevelopment Project Costs, or to pay debt service on obligations issued to pay for such Redevelopment Project costs. Exhibit C sets forth, by line item, the TIF-Funded Infrastructure Components for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to **Sections 4.03(b)** and **4.05(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. The Developer may request in writing to revise Exhibit C to reallocate the maximum amount of TIF-eligible costs among different Infrastructure Components, and such request shall be subject to the approval of the City, in its sole discretion. If such reallocation would result in the TIF-eligible costs being less than the Guaranteed Maximum Price for one or more Infrastructure Components, then the Developer shall, as a condition to such reallocation, provide evidence acceptable to the City in its sole discretion of Lender Financing and/or Equity at least equal to this shortfall.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes	\$551,200,000

Together with an amount sufficient to pay capitalized interest, reasonable reserves and costs of issuance on obligations issued to finance the Infrastructure Components to the extent such costs are TIF-eligible (the "Financing Costs"); provided, however, that the total amount of City Funds expended for TIF-Funded Infrastructure Components shall be an amount not to exceed the lesser of \$551,200,000 or 98.2% of the actual total Project costs; and provided further, that the \$551,200,000 to be derived from Available Incremental Taxes shall be available to pay costs related to TIF-Funded Infrastructure Components and allocated by the City for that purpose only so long as:

(i) The amount of the Available Incremental Taxes to be deposited into the TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Available Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Infrastructure Components, if any;

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Infrastructure Components up to a maximum of \$551,200,000 plus Financing Costs is contingent upon the fulfillment of the conditions set forth above in Section 4.03(a) and Section 4.03(b). In the event that such conditions are not fulfilled, the amount of Equity to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

The City reserves the right in its sole discretion, prior to the issuance of any SSA Bonds or payment of City Funds, to substitute a portion of the referenced sources of City Funds with any legally available funding sources, including incremental taxes ported from adjacent redevelopment project areas, developer contributions to the downtown floor area bonus under Sec. 17-4-1000 of the Municipal Code or other similar sources, and state or federal grants.

(c) City Notes. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, with respect to each Infrastructure Component, the City hereby agrees to issue a City Note to Developer upon the issuance of the applicable Infrastructure Component Completion Certificate. The principal amount of a City Note shall be in an amount equal to the lesser of the Guaranteed Maximum Price or the actual costs of the TIF-Funded Infrastructure Components with respect to the applicable Infrastructure Component, plus Financing Costs. Payments under the City Note are subject to the amount of Available Incremental Taxes deposited into the TIF Fund being sufficient for such payments. Any proceeds in excess of the authorized costs under the TIF Act will be used to redeem and discharge a corresponding amount of City Notes, as applicable. If any City Note matures on or

before December 31, 2043, the City agrees to exchange said City Note one year prior to the stated maturity thereof for a new City Note maturing on December 31, 2043 or such other date as the City and Developer shall mutually agree. The terms of such City Notes shall otherwise remain unchanged.

The issuance of the first series of City Notes following receipt of the Infrastructure Component Completion Certificates for 15th Street Construction, Clark Street Improvements, Metra Realignment and Sea Wall Improvements is not conditioned on the demonstration of a debt coverage ratio.

(d) SSA Bonds. The City anticipates establishing one or more special service areas under the SSA Act whose boundaries are within the Redevelopment Area (each, an "SSA"). If one or more SSAs are established, and subject to City Council action authorizing such SSA Bonds issuance, the City may issue one or more series of SSA Bonds which may be supported by a multi-year levy against the property located within the SSA ("SSA Taxes") subject to the restrictions described in the appropriate legislation approving the SSA Bonds. SSA Taxes will be levied in accordance with law, which may include on a basis that provides a rational relationship between the amount of the tax levied against each parcel of land in each SSA and the special service benefit rendered, provided that such levy shall be subject to abatement from Available Incremental Taxes upon fulfillment of the Preconditions set forth in Section 4.07.

Levying SSA Taxes on a rational relationship basis will require the use of a third-party consultant to serve as the City's agent in order to calculate the annual levy necessary to extend the SSA Tax (the "Tax Administrator"). The Tax Administrator costs ("Tax Administrator Costs") shall be paid by the City. The Tax Administrator Costs will have a priority lien on Available Incremental Taxes and will be accounted for before debt service on the SSA Bonds. Further, no third-party consultant who is in the employ of the Developer for the Project may serve as the Tax Administrator.

If City Council authorizes the issuance of SSA Bonds, then the financial terms of the SSA Bonds will be defined in the appropriate City Council ordinance authorizing such SSA Bonds.

(e) Coverage Requirements. Other than the first issuance of the SSA Bonds, or the first issuance of City Notes following receipt of the Infrastructure Component Completion Certificates for 15th Street Construction, Clark Street Improvements, Metra Realignment and Sea Wall Improvements, each subsequent SSA Bond or City Note will be issued only if and when the Tax Administrator's report can demonstrate a 1.10x or greater IPT Coverage. "IPT Coverage" shall mean (A) the sum of (i) Incremental Taxes collected or levied for collection in the current levy year or (ii) Incremental Taxes anticipated to be levied in the upcoming year based on the most recently available factors: the assessed value following the certification by the Board of Review; the finalized equalization factors; and tax rates, divided by (B) debt service on all currently outstanding SSA Bonds and City Notes as well as the contemplated issue for the following Bond Year (after taking into account and net of capitalized interest available for such Bond Year).

(f) Transfer Restrictions. For City Notes, the City will agree to the sale to: (i) one or more Qualified Institutional Buyers ("QIBs") as defined under Rule 144A of the Securities Act of 1933, or to a trust that sells certificates of participation to QIBs; (ii) a lender providing Lender

Financing to the Developer for the Project; or, (iii) the Developer or any Affiliate or any entity in which the majority equity interest is owned by the parties that have a majority equity interest in Developer.

(g) Project Payments. If City Notes are issued, Available Incremental Taxes will be applied (i) first to the payment of interest, (ii) second to scheduled payments of principal, (iii) third to the replenishment of the debt service reserve fund and (iv) as to the remainder, in the sole discretion of the City, to the prepayment of the City Notes, in whole or in part, subject to any redemption restrictions agreed to by the City at the time of sale of such City Notes, and/or to the TIF Fund to be applied in the sole discretion of the City.

If SSA Bonds are issued, the indenture will provide that Available Incremental Taxes will be applied (i) first to the payment of interest, (ii) second to scheduled payments of principal, (iii) third to the replenishment of the debt service reserve fund and (iv) as to the remainder, in the sole discretion of the City, to the prepayment of the SSA Bonds, in whole or in part, subject to any redemption restrictions agreed to by the City at the time of sale of such SSA Bonds, and/or to the TIF Fund to be applied in the sole discretion of the City. To the extent Available Incremental Taxes are insufficient to make the payments described in items (i) through (iii) of the preceding sentence, SSA Taxes will be extended and collected first to the payment of interest, second to scheduled payments of principal, and third to the replenishment of the debt service reserve fund.

If both SSA Bonds and City Notes are issued, Available Incremental Taxes will be pledged on a parity to both SSA Bonds and any City Notes outstanding, provided that SSA taxes will not be used to repay any City Notes.

Each City Note shall include a schedule setting forth the proposed principal amortization (with principal payment dates to occur on August 1 of each year, unless otherwise approved by DPD). Failure to pay principal or interest on any City Note due to a lack of Available Incremental Taxes shall not be an event of default. The City shall not prepay any City Note for a period of up to five years after issuance of such obligation without the consent of the holder of such obligation.

(h) Disbursement of City Funds. Notwithstanding any provision of this Agreement to the contrary, with respect to each Infrastructure Component, the Developer may request the City, in lieu of issuing City Notes or SSA Bonds, and subject to the conditions described in this Section 4.03, to pay City Funds to the Developer after the issuance of the applicable Infrastructure Component Completion Certificate. The amount of City Funds would be equal to the lesser of the Guaranteed Maximum Price or the actual costs of the TIF-Funded Infrastructure Components with respect to the applicable Infrastructure Component, plus Financing Costs. Payments of City Funds would be subject to the amount of Available Incremental Taxes.

4.04 Requisition Form. When Developer submits documentation to the City in connection with a request for the payment of City Funds as described in Section 4.03(c), beginning on the first request for payment and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement, Developer shall provide DPD with a Requisition Form, along with the documentation described

therein. Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. The City will reimburse for those expenditures made by 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, which 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 Prior Expenditures. DPD shall count expenses incurred prior to the Closing Date toward the Guaranteed Maximum Price of the Infrastructure Component, provided the Developer has documented these costs in a manner acceptable to DPD. Prior Expenditures made for items other than TIF-Funded Infrastructure Components 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) TIF District Administration Fee. Annually, the City may allocate an amount not to exceed five percent (5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project, in accordance with the TIF Act. 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.

4.06 Intentionally Omitted.

4.07 Preconditions of Disbursement; Execution of Infrastructure Component Certificate of Expenditure. Prior to each disbursement of City Funds hereunder or execution of an Infrastructure Component Certificate of Expenditure by the City, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by Developer to DPD of any request for disbursement of City Funds, or the execution by the City of an Infrastructure Component Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement or request for execution of an Infrastructure Component Certificate of Expenditure, that:

(a) the total amount of the disbursement request or request for Infrastructure Component Certificate of Expenditure represents 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 current disbursement request or request for Infrastructure Component Certificate of Expenditure have been paid to the parties entitled to such payment;

(c) Developer has approved all work and materials for the current disbursement request or request for Infrastructure Component Certificate of Expenditure, and such work and materials conform to the Approved Plans and Specifications;

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

(e) 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 and Non-Governmental Charges in accordance with Section 8.15(b);

(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. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 30 days after a written request by the City, deposit with the escrow agent, or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement or execution of an Infrastructure Component 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 Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement or execution of an Infrastructure Component Certificate of Expenditure, including but not limited to requirements set forth in the Bond Ordinance, if any, the Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

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

4.09 Sale or Transfer of the Property or Project.

(a) Prior to the Issuance of an Infrastructure Component Completion Certificate. Developer must obtain the prior approval of the City for any sale or transfer of any part of the Property or the Project prior to the issuance of the Infrastructure Component Completion Certificate for the Infrastructure Components financed by the first to be issued of (1)

an SSA Bond(s), or (2) City Notes, in either case issued following receipt of the Infrastructure Component Completion Certificates for 15th Street Construction, Clark Street Improvements, Metra Realignment and Sea Wall Improvements; provided, however, that the donation of land for the construction of the Discovery Partners Institute to the University of Illinois or an affiliate thereof shall be deemed approved.

(b) After the Issuance of the Infrastructure Component Completion Certificate. After the Infrastructure Component Completion Certificate is issued for the Infrastructure Components financed by the first SSA Bond or City Note issued, Developer need not obtain prior approval for any sale or transfer of any part of the Property; provided, however, that Developer must notify the City not less than 30 days before any closing of sale of Developer's intention to sell any part of the Property or the Project. Developer must provide the City with true and correct copies of any contract for sale and related documents as part of such notice.

4.10 Construction Escrow. If SSA Bonds or City Notes are issued, when applicable, then the City and Developer hereby agree to enter into the Escrow Agreement into which the SSA Bond or City Note Proceeds shall be deposited. Except as expressly set forth herein, all disbursements of Project funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement.

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

5.02 Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property owned by the Developer, or a binding, signed, marked-up commitment to issue such Initial Title Policy, certified by the Title Company. 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 (3.0 with parking), contiguity, location, access and survey. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, in substantially the form set forth in Exhibit N hereto, with such changes as are acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, with the Office of the Recorder of Deeds of Cook County.

5.03 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name (and the following trade names of Developer: None) showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

Jurisdiction	Searches
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
Clerk of Circuit Court, Cook County	Pending suits and judgments

5.04 Surveys. Developer has furnished the City with three (3) copies of the Survey(s).

5.05 Insurance. 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.

5.06 Opinion of Developer's Counsel. On the Closing Date, 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 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 Developer from its general corporate counsel.

5.07 Evidence of Prior Expenditures. 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.

5.8 Financial Statements. Developer has provided Financial Statements to DPD for its most recent fiscal year and audited or unaudited interim financial statements.

5.9 Documentation; Employment Plan. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or work on the Project, including the reports described in Section 8.07. At least thirty (30) days prior to the Closing Date, the Developer has met with the Workforce Solutions division of DPD to review employment opportunities with the Developer after construction work on the Project is completed. On or before the Closing Date, Developer has provided to DPD, and DPD has approved, the Employment Plan for the Project (the "Employment Plan"). The Employment Plan includes, without limitation, the Developer's estimates of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as DPD has requested relating to the Project.

5.13 Environmental. Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and, if necessary, any phase II environmental audit with respect to the Property required by the City. 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. The Developer shall provide the City with a final comprehensive NFR Letter with respect to the Property, signed by the IEPA upon issuance thereof.

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its articles of organization containing the certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; operating agreement of Developer; and such other corporate documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts. 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 Sec. 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. Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving 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.

SECTION 5A. CONDITIONS PRECEDENT TO EACH INFRASTRUCTURE COMPONENT COMMENCEMENT LETTER

5A.01 Developer Obligations. The Developer covenants not to commence construction of an Infrastructure Component as identified on the Project Budget until the Developer has requested in writing, and the City has issued and delivered to the Developer, a Component Commencement Letter for that Infrastructure Component pursuant to this Section 5A. The Developer's delivery of such request for a Component Commencement Letter shall constitute a certification to the City, as of the date of such request, that 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 under this Agreement or any related agreement, and the representations and warranties contained in this Agreement and any related agreement are true and correct. The following conditions shall have been complied with to the City's satisfaction on or prior to the issuance of each Component Commencement Letter:

(a) Project Budget. The Developer has submitted to DPD, and DPD has approved, a Project Budget for the Infrastructure Component in accordance with the provisions of Section 3.03 hereof;

(b) Scope Drawings and Plans and Specifications. The Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications for the Infrastructure Component in accordance with the provisions of Section 3.02 hereof;

(c) Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation for the Infrastructure Component, and has submitted evidence thereof to DPD;

(d) Financing. The Developer has furnished proof satisfactory to the City that the Developer has Equity and/or Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Infrastructure Component and satisfy its obligations under this Agreement;

(e) Title. The Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, dated within 45 days of the date the Developer submits the request for a Component Commencement Letter, showing the Developer as the named insured and satisfying the requirements described in Section 5.02;

(f) Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches, updated within 45 days of the date the Developer submits the request for a Component Commencement Letter, as described under Section 5.03, showing no liens against the Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens;

(g) Surveys. The Developer has furnished the City with three (3) copies of the Survey, dated within 45 days of the date the Developer submits the request for a Component Commencement Letter;

(h) 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;

(i) Opinion of the Developer's Counsel. On the date the Developer submits the request for a Component Commencement Letter, 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; provided, that 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;

(j) Evidence of Prior Expenditures. The Developer has provided evidence satisfactory to DPD of the Prior Expenditures in accordance with the provisions of Section 4.05(a);

(k) Documentation. The Developer has provided documentation satisfactory to DPD and the Department of Purchases, Contracts and Supplies with respect to current employment matters on the prior and pending Infrastructure Components of the Project, the MBE/WBE utilization plan for the pending Infrastructure Component of the Project, and a progress report containing all current information, if any, requested under Section 8.07 herein, and DPD has

approved the same; provided, each such MBE/WBE utilization report will be in the format of the City's Schedule D, D-1, D-2, and D-3 "Compliance Plan Regarding MBE&WBE Utilization"; and provided, further, concurrent with the submission of each such utilization report, Developer must also identify the efforts of outreach, inclusion, and workforce development engaged in by Developer concerning MBE/WBE contracting;

(l) Environmental. The Developer has provided DPD with copies of any updated or new phase I environmental audit or phase II environmental audit with respect to the Property, other than those previously delivered to the City under Section 5.13, together with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits;

(m) Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles of Organization or Articles of Incorporation, as applicable, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate or similar instrument in such form and substance as the Corporation Counsel may require; operating agreement of the entity; and such other organizational documentation as the City has requested; and an Economic Disclosure Statement, in the City's then current form, dated the date the Developer submits the request for a Component Commencement Letter;

(n) Litigation. The Developer has provided to the Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving the Developer that will or may affect the ability of the Developer to complete the pending Infrastructure Component of the Project in accordance with this Agreement, 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;

(o) Leases. Except as already provided to the City in connection with a prior Infrastructure Component, the Developer has provided to the City copies of all executed operating leases, purchase or sale agreements and letters of intent relating to the Project, if any, a copy of the form lease(s), and a summary aggregating total tenant occupancy figures and base rent payments in a manner satisfactory to the City;

(p) Construction Contract. The Developer has submitted a copy of the Construction Contract for the pending Infrastructure Component of the Project pursuant to the requirements of Section 6.01 herein; and

(q) Non-Commencement of Construction. There is no evidence that construction on the Infrastructure Component has yet commenced.

5A.02 City Actions. Upon the City's satisfaction with the Developer's documents as set forth in Section 5A.01 above for each pending Infrastructure Component of the Project, City will issue a Component Commencement Letter to Developer in the form set forth in Exhibit Q hereto.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago. (i) For the TIF-Funded Infrastructure Components, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner unless otherwise approved by DPD. (ii) 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 Infrastructure Components shall be provided to DPD within ten (10) business days of the execution thereof. 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 Approved Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

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

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

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, 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. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and the City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy or the failure of any one subcontractor to satisfy such obligation shall not result in a default of this Agreement or require payment of the City resident hiring shortfall amounts so long as such Section 10 obligations are satisfied on an aggregate basis.

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

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Infrastructure Component Completion Certificate.

Upon completion of each Infrastructure Component as identified on the Project Budget in accordance with the terms of this Agreement, and upon the Developer's written request, DPD shall issue to the Developer the applicable Infrastructure Component Completion Certificate set forth below, each in recordable form. No Infrastructure Component Completion Certificate shall be issued unless DPD is satisfied that the Developer has fulfilled all of the following obligations that pertain to the Infrastructure Component Completion Certificate being requested:

(a) General Conditions applicable to each Infrastructure Component Completion Certificate

(i) The City's Monitoring and Compliance Unit has verified that, at the time the Infrastructure Component Completion Certificate is issued, the Developer is in full compliance as determined on a Project-wide basis, with City requirements set forth in Section 10.01, Section 10.03 (M/WBE) and Section 8.09 (Prevailing Wage) with respect to construction of the Project.

(ii) [intentionally omitted]

(iii) The Developer has submitted to DPD adequate documentation of Project Costs incurred and paid by Developer for the Infrastructure Component equal to or exceeding the Guaranteed Maximum Price for the applicable Infrastructure Component.

(iv) There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

(v) Certification by CDOT or the corresponding public authority that the Infrastructure Component has been completed and built in accordance with Approved Plans and Specifications and the Planned Development.

(vi) As applicable, (A) the CTA Red Line Station, the Clark Street Improvements or the 15th Street Construction, as applicable, has been deeded, dedicated or otherwise conveyed to the City or the appropriate governmental or quasi-

governmental agency, (B) the Metra Realignment is subject to a relocatable easement in favor of Metra, acceptable to Metra and Developer, and (C) the Sea Wall Improvements are subject to a perpetual public easement in favor of the City, acceptable to the City and Developer.

(vii) With respect to any Infrastructure Component that has not been completed, the Developer has furnished proof reasonably acceptable to the City that the Developer has or will have Equity and Lender Financing in the amounts set forth in Exhibit H-1 hereof to complete such Infrastructure Component and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof or will furnish proof at the subsequent closing of the Lender Financing, as applicable, that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity and other sources set forth in Exhibit H-1) to complete the construction work contemplated in order to obtain the next Infrastructure Component Completion Certificate.

DPD shall respond to the Developer's written request for an Infrastructure Component Completion Certificate within forty-five (45) days by issuing either the requested Infrastructure Component Completion Certificate or a written statement detailing the ways in which the Infrastructure Component does not conform to this Agreement or has not been satisfactorily completed, and the measures that must be taken by the Developer in order to obtain the Infrastructure Component Completion Certificate. The Developer may resubmit a written request for an Infrastructure Component Completion Certificate upon its completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. Those covenants specifically described at Sections 8.02 (Covenant to Redevelop), 8.19 (Real Estate Provisions), and 8.21 (Annual Compliance Report) 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 an Infrastructure Component Completion Certificate; provided, that upon the issuance of an Infrastructure Component Completion Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of an Infrastructure Component Completion Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.14 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement and Developer has not cured any such failure within 90 days of receipt of written notice thereof, 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; and

(b) the right (but not the obligation) upon not less than thirty (30) days prior to written notice to Developer to complete those TIF-Funded Infrastructure Components that are public improvements and to pay for the costs of TIF-Funded Infrastructure Components (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Infrastructure Components 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 Infrastructure Components in excess of the available City Funds.

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. Developer represents, warrants and covenants that as of the date of this Agreement, and as of the date of each disbursement of City Funds hereunder, and throughout the Compliance Period:

(a) Developer is a Delaware limited liability company duly organized, validly existing, registered to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Developer has acquired 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) 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, or, to Developer's knowledge, threatened or affecting Developer which would impair its ability to perform under this Agreement;

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

(h) 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 Developer is a party or by which Developer is bound which would materially adversely affect its ability to comply with its obligations under this Agreement;

(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 Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements;

(j) prior to the issuance of the Infrastructure Component Completion Certificates for 15th Street Construction, Clark Street Improvements, Metra Realignment and Sea Wall Improvements, if it would materially adversely affect Developer's ability to perform its obligations under this Agreement, Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation unless authorized by an ordinance duly adopted by the City Council; (2) subject to Section 18.14 hereof, sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business unless authorized by an ordinance duly adopted by the City Council; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (except as required in connection with Lender Financing or tax credit equity investment for the Project), or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(k) Developer has not incurred, and, prior to the issuance of an Infrastructure Component Completion Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Project which are not promptly discharged or which are being legally contested other than the Permitted Liens or Non-Governmental Charges; or incur any indebtedness, secured or to be secured by Project or any fixtures now or hereafter attached thereto, except Lender Financing; and

(l) Developer 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 Developer nor any affiliate of 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.

(n) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in The 78 Project Account of the TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(p) [Intentionally omitted];

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except in accordance with the terms of Section 18.14 of this Agreement, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement;

(r) Developer acknowledges that with respect to City Funds, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City Funds or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto; and

(s) 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 their 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 their 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 their 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 their 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 Approved Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance, the Approved Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section 8.02 shall run with the land and be binding upon any transferee for the Term of the Agreement, but shall be deemed satisfied upon issuance by the City of an Infrastructure Component Completion Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, as in effect on the date hereof.

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

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any other bonds in connection with the Redevelopment Area, the proceeds of

which may be used to pay for, reimburse or refinance the TIF-Funded Infrastructure Components (the "Bonds"); provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. Developer shall have no liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading.

8.06 Warranty. Following the issuance of an Infrastructure Component Completion Certificate, the Developer will provide the City with a warranty against defective materials and workmanship with respect to such Infrastructure Component for a term of one year (the "Warranty Period"). Any defects identified during the Warranty Period must be repaired and replaced to the satisfaction of the City at the Developer's expense. Any such repair or replacement shall have a Warranty Period of one year from said repair or replacement date.

8.07 Employment Opportunity; Progress Reports. 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 when an Infrastructure Component is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). 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. 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. 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, Developer shall provide the City with copies of all such contracts entered into by 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 Infrastructure Component. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by

Developer and reimbursement to 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 TIF Act, 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 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 Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2017 and each year 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, 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. 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. 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. 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 Developer to any other person or entity. 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 Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be, as and when required, in compliance with all applicable Laws pertaining to or affecting the Project and the Property.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all Laws.

8.18 Recording and Filing. 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. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to the City an executed copy of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions. The covenants set forth in this Section 8.19 shall run with the land and be binding upon any transferee for the Term of the Agreement.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon 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 Developer, the Property or the Project including but not limited to real estate taxes. This provision is not intended to impose on the Developer personal or other liability for Governmental Charges that is not otherwise imposed under the Law governing the applicable Governmental Charge. This provision is not intended to impose

any requirement on the Developer that would cause real property taxes relating to the Project or the Property to fail to have a generally applicable manner of collection.

(ii) Right to Contest. 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 by Law. This provision is not intended to change the generally applicable manner of collection or contest of the Governmental Charges otherwise set forth in the Law governing the applicable Governmental Charge.

(b) Developer's Failure To Pay Or Discharge Lien. If 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 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; provided, however, that Developer also advised DPD that it has determined, in its own discretion, it will not challenge or contest the applicable Governmental Charge in the manner, if any, provided by Law. 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 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 Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Notification to the Cook County Assessor of Change in Use and Ownership. Within 30 days after the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the Property. On the Closing Date, Developer shall pay to the Title Company the cost of sending the notification to the Cook County Assessor via certified mail, return receipt requested. After delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

8.20 [intentionally omitted]

8.21 Annual Compliance Report. Beginning with the issuance of the Infrastructure Component Completion Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 60 days after the end of the calendar year to which the Annual Compliance Report relates. Failure by 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 set forth 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 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 Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.23 Sustainable Development Policy. The Developer shall provide evidence acceptable to the City that they have complied with the Chicago Sustainable Development Policy for the Project within 1 year after the date of the Infrastructure Component Completion Certificate. If a default occurs under this Section 8.23, the City shall have the right to reduce the City Funds by \$250,000 as described in Section 15.02.

8.24 [intentionally omitted]

8.25. 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 five (5) business days 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. The City acknowledges that it is Developer's position that certain materials provided to the City by Developer in connection with this Agreement constitute commercial or financial information, and are tendered under the claim that they are proprietary and confidential, the disclosure of which would cause Developer competitive harm ("Confidential Materials"). Developer shall mark all Confidential Materials "CONFIDENTIAL", "PROPRIETARY" OR "PRIVILEGED", or otherwise indicate in writing to the City that particular records shall be designated as Confidential Materials. The City further acknowledges that it is Developer's position that Confidential Materials are exempt from production under FOIA, pursuant to Section 7(1)(g) thereof. Further, certain information in the Confidential Materials may be exempt from production under FOIA for other reasons.

If the City receives a FOIA request, subpoena or other court order that it believes requires disclosure of a portion or all of the Confidential Materials, the City shall withhold Confidential Materials from production, as allowable under the law. The City shall also notify Developer upon receipt of such request, subpoena or order, immediately, as to afford Developer the opportunity to take steps to prevent disclosure if desired. Nothing in this Agreement shall be read to conflict with the City's duty to comply with the law or court order.

Except as provided in this Section, the City agrees to refrain from distributing Confidential Materials to outside individuals or entities.

(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.

8.26 [intentionally omitted]

8.27 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 an Infrastructure Component Completion Certificate) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. 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, 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 30 percent by MBEs.
- (2) At least 10 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 Project) shall be deemed a "contractor" and this Agreement (and any contract let by 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 an 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

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, Approved Plans and Specifications and all amendments thereto, the Bond Ordinance and the Redevelopment Plan.

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 including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or 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), 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.

SECTION 12. INSURANCE

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

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations,

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

(iii) All Risk Property

All Risk Property Insurance at replacement value of 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, Chicago IL 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 on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for 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.

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such 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 Infrastructure Components or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum 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 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 has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by 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 (which are not in the process of being discharged), including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against 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 or the death of any individual who owns a material interest in 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) prior to the end of the Term of the Agreement, without the prior written consent of the City, any sale, transfer, conveyance, lease or other disposition of all or substantially all of Developer's assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or as otherwise expressly permitted by this Agreement; or

(l) 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(i) and 15.01(j) hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of Developer's issued and outstanding shares of stock or membership interests.

15.02 Remedies. Subject in all respects to the bond and security documents delivered in connection with the issuance of any City Notes or SSA Bonds, 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, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid, and/or seek reimbursement of any City Funds

paid; provided, however, notwithstanding any conflicting provision herein, upon issuance of a tax-exempt City Note and/or SSA Bonds the City's obligations to make payments on such tax-exempt City Note and/or SSA Bonds shall be vested without defense to payment (other than insufficiency of Available Incremental Taxes) including as a result of an Event of Default, and the City's obligation to make payments on the tax-exempt City Note and/or SSA Bonds shall survive any termination of this Agreement.

Upon the occurrence of an Event of Default because of failure to comply with Section 8.23, Sustainable Development Policy, the City shall have the right to seek reimbursement of \$250,000 of City Funds by reducing one or more annual payments or requiring the Developer to return City Funds. If the City reduces the City Funds paid as described in the preceding sentence, the City shall have no other remedy for the Developer's failure to comply with Section 8.23.

Subject to the foregoing, the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein.

15.03 Curative Period. 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. 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 no cure period shall apply to Developer's failure to comply with Section 8.23.

The bond and security documents delivered in connection with the issuance of any City Notes or SSA Bonds may provide for additional cure rights to the trustee for, or holders of, such instruments.

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 an Infrastructure Component Completion Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

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

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>Roosevelt/Clark Partners, LLC 350 W. Hubbard St. Suite 300 Chicago, IL 60654 Attention: Curt Bailey & Kimberlie Pearlman</p>
<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>DLA Piper LLP (US) 444 West Lake Street, Suite 900 Chicago, IL 60606 Attention: Richard Klawiter</p>

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 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 ten percent (10%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by 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 and/or the Bond Ordinances, if any, 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, in the reasonable discretion thereof and not to be unreasonably conditioned or delayed. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the certificate or otherwise administering this Agreement for the City.

18.14 Assignment. Until Infrastructure Components financed by SSA Bond(s) or City Note(s) have been completed as evidenced by issuance of the Infrastructure Component Completion Certificates for 15th Street Construction, Clark Street Improvements, Metra Realignment and Sea Wall Improvements, the Developer's interest in this Agreement shall not be sold, assigned, or otherwise transferred in whole or in part unless authorized by an ordinance duly adopted by the City Council; provided, however, the foregoing shall not apply to the Developer's execution of a Collateral Assignment. 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 Sections 8.19 (Real Estate Provisions) and 8.23 (Survival of Covenants) hereof, for the Term of the Agreement. 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 events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to

discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 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. 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" (as defined in Section 2-156-010 of the Municipal Code)(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. 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 Subordination Agreement. Upon the request of a lender providing Lender Financing, the City shall agree to subordinate its interests under this Agreement to the mortgage of such lender pursuant to a written subordination agreement, the form of which shall be in a form reasonably acceptable to the City and Corporation Counsel.

18.22. Exhibits. All of the exhibits attached to this Agreement are incorporated into this Agreement by reference.

EXHIBIT A
REDEVELOPMENT AREA

(attached)

EXHIBIT A
LEGAL DESCRIPTION OF THE AREA
ROOSEVELT/CLARK REDEVELOPMENT PROJECT AREA

THAT PART OF SECTIONS 16 AND 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER AND THE NORTH RIGHT OF WAY LINE OF WEST HARRISON STREET;

THENCE EAST ALONG THE NORTH RIGHT OF WAY LINE OF WEST HARRISON STREET TO THE NORTHERLY EXTENSION OF A LINE 220 FEET WEST OF AND PARALLEL WITH THE WEST RIGHT OF WAY LINE OF 60-FOOT WIDE SOUTH WELLS STREET;

THENCE SOUTH ALONG SAID PARALLEL LINE AND ITS NORTHERLY EXTENSION TO A LINE 325 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF BLOCK 88 IN THE SCHOOL SECTION ADDITION TO CHICAGO, BEING A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE FILLED OLD CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER;

THENCE EAST ALONG SAID PARALLEL LINE TO A LINE 185.78 FEET WEST OF AND PARALLEL WITH THE WEST RIGHT OF WAY LINE OF 60-FOOT WIDE SOUTH WELLS STREET;

THENCE SOUTH ALONG SAID PARALLEL LINE TO THE NORTH RIGHT WAY LINE OF WEST POLK STREET;

THENCE EAST ALONG THE NORTH RIGHT OF WAY LINE OF WEST POLK STREET TO THE SOUTHWEST CORNER OF LOT 46 IN SUBDIVISION OF BLOCK 102 IN THE SCHOOL SECTION ADDITION TO CHICAGO, BEING A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE FILLED OLD CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER, ALSO BEING THE EAST LINE OF SOUTH WELLS STREET;

THENCE SOUTH ALONG THE EAST RIGHT OF WAY LINE OF SOUTH WELLS STREET TO THE SOUTHWEST CORNER OF LOT 3 IN W. S. GURNEE'S SUBDIVISION OF BLOCK 104 AND THE WEST HALF OF BLOCK 109 IN THE SCHOOL SECTION ADDITION TO CHICAGO, BEING A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE FILLED OLD CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER; ALSO BEING THE NORTH LINE OF WEST 9TH STREET;

THENCE EAST ALONG THE NORTH LINE OF WEST 9TH STREET TO ITS INTERSECTION WITH THE NORTHERN EXTENSION OF THE WEST LINE OF LOT 2 IN ROOSEVELT COLLECTION SUBDIVISION BEING A RESUBDIVISION

OF BLOCKS 103 TO 110 IN THE SCHOOL SECTION ADDITION TO CHICAGO, BEING A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE FILLED OLD CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER;
THENCE SOUTH ALONG THE WEST LINE AND ITS NORTHERLY EXTENSION OF LOT 2 IN ROOSEVELT COLLECTION AFORESAID TO THE SOUTHWEST CORNER OF SAID LOT 2, ALSO BEING THE NORTHWEST CORNER OF LOT 1 IN ROOSEVELT COLLECTION AFORESAID;
THENCE EAST ALONG THE NORTH LINE OF LOT 1 IN ROOSEVELT COLLECTION AFORESAID 125.5 FEET;
THENCE SOUTH 91.03 FEET;
THENCE WEST 125.44 FEET TO A POINT ON THE WEST LINE OF LOT 1 IN ROOSEVELT COLLECTION AFORESAID, ALSO BEING ON THE EAST RIGHT OF WAY LINE OF SOUTH WELLS STREET;
THENCE SOUTH ALONG THE EAST RIGHT OF WAY LINE OF SOUTH WELLS STREET TO THE NORTH RIGHT OF WAY LINE OF WEST ROOSEVELT ROAD;
THENCE EAST ALONG THE NORTH RIGHT OF WAY LINE OF WEST ROOSEVELT ROAD TO THE EAST RIGHT OF WAY LINE OF SOUTH CLARK STREET;
THENCE SOUTH ALONG THE EAST RIGHT OF WAY LINE OF SOUTH CLARK STREET TO THE SOUTHWEST CORNER OF LOT 35 IN FEDERAL SQUARE A RESUBDIVISION OF PART OF BLOCKS 1 AND 4 IN DEARBORN PARK UNIT NO. 2; BEING A SUBDIVISION IN SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;
THENCE EAST ALONG THE SOUTH LINE OF LOT 35 IN FEDERAL SQUARE AFORESAID TO IT INTERSECTION WITH THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 34 IN FEDERAL SQUARE AFORESAID, ALSO BEING THE EAST RIGHT OF WAY LINE OF SOUTH CLARK STREET;
THENCE SOUTH ALONG THE EAST RIGHT OF WAY LINE OF SOUTH CLARK STREET TO A JOG IN THE WEST LINE OF LOT 77 IN DEARBORN PRAIRIE TOWNHOMES PHASE 3 BEING A RESUB OF PART OF BLOCK 4 IN DEARBORN PARK UNIT 2; BEING A SUBDIVISION IN SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;
THENCE EAST ALONG SAID JOG 3 FEET TO A POINT ON THE WEST LINE OF LOT 77 IN DEARBORN PRAIRIE TOWNHOMES PHASE 3 AFORESAID, ALSO THE EAST RIGHT OF WAY LINE OF SOUTH CLARK STREET;
THENCE SOUTH ALONG THE EAST RIGHT OF WAY LINE OF SOUTH CLARK STREET TO THE NORTH RIGHT OF WAY LINE OF WEST 15TH STREET;
THENCE EAST ALONG THE NORTH RIGHT OF WAY LINE OF WEST 15TH STREET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF WILDER'S SOUTH ADDITION TO CHICAGO BEING A SUBDIVISION IN SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG THE WEST LINE OF WILDER'S SOUTH ADDITION TO CHICAGO AFORESAID TO THE NORTHEAST CORNER OF LOT 1 IN BLOCK 36 IN ASSESSOR'S SECOND DIVISION BEING A SUBDIVISION OF THE FRACTIONAL NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG THE NORTH LINE OF LOT 1 IN BLOCK 36 IN ASSESSOR'S SECOND DIVISION AFORESAID TO THE EAST RIGHT OF WAY LINE OF SOUTH CLARK STREET;

THENCE SOUTH ALONG THE EAST RIGHT OF WAY LINE OF SOUTH CLARK STREET TO THE SOUTH RIGHT OF WAY LINE OF EAST 18TH STREET;

THENCE WEST ALONG THE SOUTH RIGHT OF WAY LINE OF EAST 18TH STREET TO A POINT 78 FEET WEST OF AND PARALLEL WITH THE WEST RIGHT OF WAY LINE OF SOUTH CLARK STREET;

THENCE SOUTH ALONG SAID PARALLEL LINE TO A POINT ON THE SOUTH LINE OF WEST 19TH STREET;

THENCE WEST ALONG THE SOUTH RIGHT OF WAY LINE OF WEST 19TH STREET TO THE WEST LINE OF EAST HALF OF BLOCK 28 IN CANAL TRUSTEE'S NEW SUBDIVISION BEING A SUBDIVISION IN SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG THE WEST LINE OF THE EAST HALF OF BLOCKS 28 AND 36 IN CANAL TRUSTEE'S NEW SUBDIVISION AFORESAID TO THE SOUTHERLY RIGHT OF WAY LINE OF SOUTH ARCHER AVENUE;

THENCE SOUTHWESTERLY ALONG THE SOUTHERLY RIGHT OF WAY LINE OF SOUTH ARCHER AVENUE TO THE WEST RIGHT OF WAY LINE OF SOUTH WENTWORTH AVENUE;

THENCE NORTH ALONG THE WEST RIGHT OF WAY OF SOUTH WENTWORTH AVENUE TO THE ORIGINAL CENTERLINE OF EAST 16TH STREET;

THENCE WEST ALONG THE ORIGINAL CENTERLINE OF EAST 16TH STREET TO THE WEST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER;

THENCE NORTHERLY ALONG THE WEST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM BURNHAM STATION CONDOMINIUM AND BURNHAM STATION II CONDOMINIUM.

EXHIBIT B
PROPERTY

Legal Description of the Property:

PARCEL 1:

THAT PART OF THE EAST FRACTION AND THE WEST FRACTION OF THE NORTHEAST 1/4 AND THE SOUTH EAST 1/4 OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THE SOUTH BRANCH OF THE CHICAGO RIVER (NOW FILLED AND ABANDONED) AS IT EXISTED ON OR PRIOR TO JULY 8, 1926, ALL TAKEN AS A TRACT, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE ORIGINAL SOUTH LINE OF WEST ROOSEVELT ROAD (SAID ORIGINAL SOUTH LINE BEING PARALLEL WITH AND 33.00 FEET SOUTH OF THE NORTH LINE OF THE EAST FRACTION OF THE NORTHEAST 1/4 OF THE AFORESAID SECTION 21) WITH A STRAIGHT LINE HEREIN REFERRED TO AS "LINE A" (SAID "LINE A" BEING DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 45 FEET, MEASURED AT RIGHT ANGLES, NORTH OF THE NORTH LINE AND 447.89 FEET, MEASURED PARALLEL WITH THE NORTH LINE OF WEST ROOSEVELT ROAD, EAST OF THE CENTER LINE OF DODGE STREET NOW VACATED PRODUCED NORTHERLY; THENCE SOUTHEASTERLY TO A POINT 760 FEET EAST OF THE CENTER LINE OF DODGE STREET NOW VACATED AND 860 FEET SOUTH OF THE SOUTH LINE OF WEST ROOSEVELT ROAD AS WIDENED, SAID SOUTH LINE AS WIDENED, BEING 85 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE EAST FRACTION OF THE NORTHEAST 1/4 OF THE AFORESAID SECTION 21); THENCE SOUTH 17 DEGREES 04 MINUTES 50 SECONDS EAST ALONG SAID "LINE A" 92.37 FEET TO THE POINT OF BEGINNING, SAID POINT OF BEGINNING BEING 36.27 FEET SOUTH OF SAID SOUTH LINE OF WEST ROOSEVELT ROAD AS WIDENED; THENCE NORTHERLY 89.81 FEET ALONG THE ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST HAVING A RADIUS OF 1910.08 FEET AND WHOSE CHORD BEARS NORTH 10 DEGREES 27 MINUTES 24 SECONDS WEST TO A POINT ON THE AFORESAID ORIGINAL SOUTH LINE OF WEST ROOSEVELT ROAD, SAID POINT BEING 723.93 FEET WEST OF THE WEST LINE OF SOUTH CLARK STREET AS WIDENED PER ORDER OF THE CITY COUNCIL PASSED MAY 15, 1846, BEING A LINE 20.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF LOTS 1 TO 5, BOTH INCLUSIVE, IN THE ASSESSOR'S SECOND DIVISION OF THE EAST FRACTION OF THE NORTHEAST 1/4 OF THE AFORESAID SECTION 21; THENCE NORTHERLY 7.09 FEET ALONG THE NORTHERLY EXTENSION OF THE AFORESAID ARC, CONVEX TO THE SOUTHWEST HAVING A RADIUS OF 1910.08 FEET AND WHOSE CHORD BEARS NORTH 9 DEGREES 00 MINUTES 13 SECONDS WEST TO A POINT ON A LINE DRAWN 26.00 FEET SOUTH AND PARALLEL WITH THE NORTH LINE OF THE EAST FRACTION OF THE NORTHEAST 1/4 OF THE AFORESAID SECTION 21; THENCE SOUTH 89 DEGREES 57 MINUTES 15 SECONDS EAST ALONG SAID PARALLEL LINE 328.85 FEET; THENCE SOUTH 6 DEGREES 43 MINUTES 03 SECONDS EAST 46.61 FEET; THENCE NORTH 83 DEGREES 16 MINUTES 58 SECONDS EAST 2.50 FEET; THENCE NORTH 6 DEGREES 43 MINUTES 03 SECONDS WEST 10.62 FEET TO A POINT ON THE SOUTH LINE OF LOT 9 IN BLANCHARD'S SUBDIVISION OF PART OF THE EAST FRACTION OF THE NORTHEAST 1/4 OF THE AFORESAID SECTION 21; THENCE SOUTH 89 DEGREES 57 MINUTES 15 SECONDS EAST ALONG SAID SOUTH LINE OF LOT 9, A DISTANCE OF 29.50 FEET TO THE SOUTHEAST CORNER OF SAID LOT 9; THENCE NORTH 0 DEGREES 01 MINUTES 02 SECONDS WEST 35.44 FEET ALONG THE EAST LINE OF SAID LOT 9 TO A POINT ON A LINE DRAWN 26.00 FEET SOUTH OF AND PARALLEL WITH THE EAST FRACTION OF THE NORTHEAST 1/4 OF THE AFORESAID SECTION 21; THENCE SOUTH 89 DEGREES 57 MINUTES 15 SECONDS EAST ALONG SAID PARALLEL LINE 360.05 FEET TO THE POINT OF INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NORTH LINE OF

WEST ROOSEVELT ROAD, SAID POINT BEING 20.00 FEET WEST OF THE EAST LINE OF BLOCK 107 IN SCHOOL SECTION ADDITION TO CHICAGO IN THE SOUTH EAST 1/4 OF SECTION 16, TOWNSHIP AND RANGE AFORESAID TO A POINT IN THE SOUTH LINE OF WEST ROOSEVELT ROAD AS WIDENED, SAID POINT BEING 20.00 FEET WEST OF THE EAST LINE OF LOTS 1 TO 5, BOTH INCLUSIVE, IN BLOCK 2 IN THE AFORESAID ASSESSOR'S SECOND DIVISION; THENCE SOUTH 0 DEGREES 01 MINUTES 52 SECONDS WEST ALONG THE LAST DESCRIBED LINE 59.00 FEET TO THE SOUTH LINE OF WEST ROOSEVELT ROAD AS WIDENED; THENCE SOUTH 0 DEGREES 01 MINUTES 02 SECONDS EAST ALONG THE WEST LINE OF SOUTH CLARK STREET (AND ITS SOUTHERLY EXTENSION) BEING THE EAST LINE OF BLOCKS 2, 3, 13, 14, 15, AND 17 IN THE AFORESAID ASSESSOR'S SECOND DIVISION, AND ALONG THE EAST LINE OF LOTS 49 TO 56, BOTH INCLUSIVE, IN WALKER GREER AND OTHER'S SUBDIVISION OF THE UHLICH TRACT IN THE EAST FRACTION OF THE NORTHEAST 1/4 OF THE AFORESAID SECTION 21 AND ALONG THE EAST LINE OF BLOCKS 27, 27-1/2, 28, 29, 34 AND 35, A DISTANCE OF 2608.68 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF 16TH STREET, SAID SOUTH LINE BEING 33.00 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE EAST FRACTION OF THE NORTHEAST 1/4 OF THE AFORESAID SECTION 21; THENCE NORTH 89 DEGREES 56 MINUTES 32 SECONDS WEST 77.70 FEET ALONG SAID LINE 33.00 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE EAST FRACTION OF THE FRACTIONAL NORTHEAST 1/4 OF SECTION 21 TO THE EAST LINE OF THE WEST 1/2 OF BLOCK 4 IN CANAL TRUSTEES' NEW SUBDIVISION OF BLOCKS IN THE EAST FRACTION OF THE SOUTHEAST 1/4 OF SECTION 21; THENCE NORTH 00 DEGREES 01 MINUTES 02 SECONDS WEST ALONG THE NORTHERLY EXTENSION OF THE EAST LINE OF THE WEST 1/2 OF BLOCK 4 AFORESAID 33.0 FEET TO THE SOUTH LINE OF THE EAST FRACTION OF THE FRACTIONAL NORTHEAST 1/4 OF SECTION 21; THENCE NORTH 89 DEGREES 56 MINUTES 32 SECONDS WEST ALONG SAID SOUTH LINE OF THE EAST FRACTION OF FRACTIONAL NORTHEAST 1/4 AFORESAID 843.42 FEET TO THE CENTER THREAD OF THE SOUTH BRANCH OF THE CHICAGO RIVER AS IT EXISTED ON OR PRIOR TO JULY 8, 1926; THENCE NORTH 31 DEGREES 15 MINUTES 32 SECONDS EAST 6.01 FEET ALONG SAID CENTER THREAD TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF THE WEST FRACTION OF SAID NORTHEAST 1/4 OF SECTION 21; THENCE SOUTH 89 DEGREES 59 MINUTES 58 SECONDS WEST 90.03 FEET ALONG SAID LINE TO THE INTERSECTION WITH THE EAST LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER AS ESTABLISHED IN ORDINANCE PASSED BY THE CITY COUNCIL OF THE CITY OF CHICAGO ON JULY 8, 1926; THENCE NORTH 0 DEGREES 17 MINUTES 30 SECONDS WEST ALONG SAID EAST LINE 315.00 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 58 SECONDS EAST ALONG A LINE PARALLEL WITH THE SOUTH LINE OF THE WEST FRACTION OF THE NORTHEAST 1/4 OF THE AFORESAID SECTION 21, A DISTANCE OF 230.02 FEET TO THE INTERSECTION WITH THE EASTERLY FACE OF THE WESTERLY DOCK LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER AS IT EXISTED ON JULY 8, 1926; THENCE NORTH 20 DEGREES 26 MINUTES 28 SECONDS EAST ALONG THE EASTERLY FACE OF SAID WESTERLY DOCK LINE WHICH FORMS AN ANGLE OF 69 DEGREES 33 MINUTES 30 SECONDS TO THE LEFT OF THE EASTERLY EXTENSION OF THE LAST DESCRIBED COURSE 21.47 FEET; THENCE NORTH 54 DEGREES 58 MINUTES 58 SECONDS EAST ALONG A LINE WHICH FORMS AN ANGLE OF 34 DEGREES 32 MINUTES 30 SECONDS TO THE RIGHT OF THE LAST DESCRIBED COURSE EXTENDED NORTHEASTERLY 141.64 FEET TO A POINT ON THE EASTERLY FACE OF THE WESTERLY DOCK LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER AS IT EXISTED ON JULY 8, 1926; THENCE NORTH 44 DEGREES 50 MINUTES 10 SECONDS EAST ALONG THE EASTERLY FACE OF SAID WESTERLY DOCK LINE 92.48 FEET TO A POINT WHICH IS 619.10 FEET EAST OF THE WEST LINE OF THE AFORESAID NEW CHANNEL AND 2088.56 FEET SOUTH OF THE SOUTH LINE OF WEST ROOSEVELT ROAD AS WIDENED (SAID SOUTH LINE BEING 85.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE AFORESAID NORTHEAST 1/4 OF SECTION 21); THENCE NORTHEASTERLY 373.88 FEET ALONG A CURVED LINE, CONVEX TO THE SOUTHEAST HAVING A RADIUS OF 478.34 FEET TO A POINT WHICH IS 760.00 FEET EAST OF THE CENTER LINE OF DODGE STREET, NOW VACATED, PRODUCED SOUTH AND 1751.17 FEET SOUTH OF THE AFORESAID SOUTH LINE OF WEST

ROOSEVELT ROAD AS WIDENED; THENCE NORTH 0 DEGREES 07 MINUTES 44 SECONDS WEST 428.22 FEET ALONG A LINE 760.00 FEET EAST OF AND PARALLEL WITH THE SOUTHERLY EXTENSION OF THE CENTER LINE OF VACATED DODGE STREET TO A POINT 1322.95 FEET SOUTH OF THE SOUTH LINE OF WEST ROOSEVELT ROAD AS WIDENED, SAID POINT BEING ALSO 453.99 FEET WEST OF THE WEST LINE OF SOUTH CLARK STREET; THENCE NORTHWESTERLY 274.21 FEET ALONG THE ARC OF A CIRCLE CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 1273.57 FEET AND WHOSE CHORD BEARS NORTH 6 DEGREES 18 MINUTES 54 SECONDS WEST TO A POINT 1050.95 FEET SOUTH OF THE SOUTH LINE OF WEST ROOSEVELT ROAD AS WIDENED AND 483.86 FEET WEST OF THE WEST LINE OF SAID SOUTH CLARK STREET; THENCE NORTH 12 DEGREES 27 MINUTES 09 SECONDS WEST 1020.09 FEET TO A POINT WHICH IS 55.04 FEET SOUTH OF THE SOUTH LINE OF WEST ROOSEVELT ROAD AS WIDENED AND 703.52 FEET WEST OF THE WEST LINE OF THE AFORESAID SOUTH CLARK STREET AS WIDENED PER ORDER OF THE CITY COUNCIL PASSED MAY 15, 1846; THENCE NORTHWESTERLY 19.22 FEET ALONG THE ARC OF A CIRCLE CONVEX TO THE WEST, HAVING A RADIUS OF 1910.08 FEET AND WHOSE CHORD BEARS NORTH 12 DEGREES 27 MINUTES 42 SECONDS WEST TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXCEPTING FROM PARCEL 1 THE PROPERTY DESCRIBED AS FOLLOWS:

(EXCEPTION PARCEL 1)

ALL THAT PART OF LOT 3, IN BLOCK 34, IN THE ASSESSOR'S SECOND DIVISION OF THE EAST FRACTIONAL NORTH EAST 1/4 OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF LOT 3, DISTANT 335.00 FEET WEST OF THE WEST LINE OF CLARK STREET, MEASURED ALONG THE SOUTH LINE OF SAID LOT 3; THENCE NORTHWESTERLY AT AN ANGLE OF 6 DEGREES 18 MINUTES WITH THE SOUTH LINE OF SAID LOT 3 A DISTANCE OF 164.45 FEET TO A POINT 18.07 FEET NORTH FROM THE SOUTH LINE OF SAID LOT 3 MEASURED AT RIGHT ANGLES THERETO; THENCE NORTHWESTERLY A DISTANCE OF 25.16 FEET TO A POINT 26.8 FEET NORTH OF THE SOUTH LINE OF SAID LOT 3 MEASURED AT RIGHT ANGLES THERETO; THENCE NORTHWESTERLY AT AN ANGLE OF 26 DEGREES 36 MINUTES WITH THE LAST DESCRIBED COURSE A DISTANCE OF 31.91 FEET TO A POINT ON THE EASTERLY DOCK LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER; THENCE SOUTHWESTERLY ALONG SAID DOCK LINE, A DISTANCE OF 73.00 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 3; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 3; A DISTANCE OF 262.35 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPTING FROM PARCEL 1:

(EXCEPTION PARCEL 2)

THAT PART OF BLOCK 35 IN ASSESSOR'S SECOND DIVISION DESCRIBED AS FOLLOWS: BEGINNING IN THE WEST LINE OF CLARK STREET 81 FEET NORTH OF THE NORTH LINE OF 16TH STREET; THENCE NORTH ALONG THE WEST LINE OF CLARK STREET 35 FEET; THENCE NORTHWESTERLY ON A CURVED LINE DEFLECTING TO THE RIGHT HAVING A RADIUS OF 375 FEET A DISTANCE OF 135.2 FEET; THENCE NORTHWESTERLY ON A STRAIGHT LINE TANGENT FROM SAID CURVED LINE 101 FEET TO A POINT 30 FEET SOUTH AT RIGHT ANGLES FROM THE NORTH LINE OF SAID BLOCK 35 AND 227.6 FEET WEST OF THE WEST LINE OF CLARK STREET; THENCE WEST PARALLEL WITH THE NORTH LINE OF SAID LOT 35 AND 30 FEET SOUTH AT RIGHT ANGLES THEREFROM 141.6 FEET; THENCE SOUTHEASTERLY ON A CURVED LINE DEFLECTING TO THE RIGHT WITH A RADIUS OF 375 FEET A DISTANCE OF 108.2 FEET TO A POINT DISTANT 52 FEET SOUTH AT RIGHT ANGLES FROM THE LINE OF SAID LOT 35; THENCE SOUTHEASTERLY ON A STRAIGHT LINE PARALLEL WITH THE THIRD ABOVE DESCRIBED LINE AND 32.4 FEET DISTANT SOUTHWESTERLY AT RIGHT ANGLES THEREFROM 136.9 FEET;

THENCE SOUTHEASTERLY ON A CURVED LINE WITH A RADIUS OF 391 FEET A DISTANCE OF 138 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPTING FROM PARCEL 1:

(EXCEPTION PARCEL 3)

THE NORTH 30 FEET OF BLOCK 35 IN ASSESSOR'S SECOND DIVISION AFORESAID, EXCEPTING THEREFROM THAT PART THEREOF DESCRIBED AS FOLLOWS: BEGINNING ON THE WEST LINE OF CLARK STREET 205.3 FEET NORTH OF THE NORTH LINE OF 16TH STREET AND IN THE NORTH LINE OF BLOCK 35 AFORESAID; THENCE WEST ALONG THE NORTH LINE OF SAID BLOCK 335 FEET; THENCE SOUTHEASTERLY ON A CURVED LINE DEFLECTING TO THE RIGHT WITH A RADIUS OF 407.8 FEET A DISTANCE OF 86 FEET TO A POINT 21 FEET SOUTH AT RIGHT ANGLES FROM THE NORTH LINE OF SAID LOT 35; THENCE SOUTHEASTERLY 26 FEET TO A POINT DISTANT 30 FEET SOUTH AT RIGHT ANGLES FROM THE NORTH LINE OF SAID LOT 35; THENCE EAST ON A LINE PARALLEL WITH SAID NORTH LINE AND 30 FEET SOUTH AT RIGHT ANGLES THEREFROM 227.6 FEET TO THE WEST LINE OF CLARK STREET; THENCE NORTH ON THE WEST LINE OF CLARK STREET 30 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

A TRACT OF LAND, LYING EASTERLY OF AND ADJOINING THE EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER, SAID TRACT OF LAND COMPRISED OF PART OF THE ORIGINAL BED OF SAID SOUTH BRANCH OF THE CHICAGO RIVER (ABANDONED), TOGETHER WITH SUNDRY LOTS, BLOCKS AND VACATED STREETS AND ALLEYS ADJOINING SAID LOTS AND BLOCKS, IN CANAL ADDITION, A SUBDIVISION OF THE WEST FRACTION OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION 21 AT A POINT OF INTERSECTION OF SAID LINE WITH EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER, SAID POINT BEING 1016.47 FEET WEST OF THE NORTHWARD EXTENSION OF THE WEST LINE OF SOUTH CLARK STREET, AND RUNNING; THENCE NORTH 89 DEGREES 55 MINUTES 29 SECONDS EAST ALONG SAID NORTH LINE A DISTANCE OF 287.476 FEET TO AN INTERSECTION WITH ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST WITH A RADIUS OF 1910.08 FEET, THE SOUTHERLY TERMINUS OF SAID ARC BEING A POINT WHICH IS 55.04 FEET SOUTH OF THE SOUTH LINE OF WEST ROOSEVELT ROAD, AS WIDENED, AND 703.52 FEET WEST OF THE WEST LINE OF SAID SOUTH CLARK STREET; THENCE SOUTHEASTWARDLY ALONG SAID ARC, A DISTANCE OF 142.415 FEET TO THE AFOREMENTIONED SOUTHERLY TERMINUS OF SAID ARC; THENCE SOUTH 12 DEGREES 35 MINUTES 58 SECONDS EAST ALONG A STRAIGHT LINE, TANGENT TO THE LAST DESCRIBED ARC OF A CIRCLE, (THE SOUTHERLY TERMINUS OF SAID STRAIGHT LINE BEING A POINT WHICH IS 1185.34 FEET SOUTH OF SAID SOUTH LINE OF WEST ROOSEVELT ROAD, AS WIDENED, AND 560 FEET EAST OF SAID EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER), A DISTANCE OF 1020.25 FEET, TO A POINT OF CURVE; THENCE SOUTHWARDLY ALONG THE ARC OF A CIRCLE CONVEX TO THE EAST, TANGENT TO LAST DESCRIBED STRAIGHT LINE AND HAVING A RADIUS OF 1273.57 FEET, A DISTANCE OF 274.145 FEET TO A POINT WHICH IS 1322.95 FEET SOUTH OF SAID SOUTH LINE OF WEST ROOSEVELT ROAD, AS WIDENED, AND 560.00 FEET EAST OF SAID EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER; THENCE SOUTH 00 DEGREES 15 MINUTES 58 SECONDS EAST ALONG A STRAIGHT LINE WHICH IS PARALLEL WITH THE AFORESAID EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER, A DISTANCE OF 428.214 FEET, TO A POINT OF

CURVE; THENCE SOUTHWESTWARDLY ALONG THE ARC OF A CIRCLE, CONVEX TO THE SOUTHEAST, TANGENT TO LAST DESCRIBED STRAIGHT LINE AND HAVING A RADIUS OF 478.34 FEET, A DISTANCE OF 373.878 FEET TO A POINT WHICH IS 2088.58 FEET SOUTH OF SAID SOUTH LINE OF WEST ROOSEVELT ROAD, AS WIDENED, AND 419.08 FEET EAST OF THE EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER; THENCE SOUTH 44 DEGREES 31 MINUTES 02 SECONDS WEST ALONG A STRAIGHT LINE, TANGENT TO LAST DESCRIBED ARC OF A CIRCLE, A DISTANCE OF 92.474 FEET; THENCE SOUTH 54 DEGREES 49 MINUTES 32 SECONDS WEST ALONG A STRAIGHT LINE, A DISTANCE OF 141.64 FEET; THENCE SOUTH 20 DEGREES 17 MINUTES 02 SECONDS WEST ALONG A STRAIGHT LINE, A DISTANCE OF 21.393 FEET TO AN INTERSECTION WITH A LINE WHICH IS 315 FEET NORTH FROM AND PARALLEL WITH THE EASTERLY EXTENSION OF THE CENTERLINE OF WEST 16TH STREET; THENCE SOUTH 89 DEGREES 50 MINUTES 55 SECONDS WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 229.778 FEET TO AN INTERSECTION WITH THE AFORESAID EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER; THENCE NORTH 00 DEGREES 26 MINUTES 02 SECONDS WEST ALONG SAID EASTERLY BOUNDARY LINE, A DISTANCE OF 883.948 FEET TO AN ANGLE POINT IN SAID LINE, AND THENCE NORTH 00 DEGREES 15 MINUTES 58 SECONDS WEST CONTINUING ALONG SAID EASTERLY BOUNDARY LINE, A DISTANCE OF 1457.308 FEET, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY MEMORANDUM OF DECLARATION OF EASEMENT DATED NOVEMBER 24, 1999, AND RECORDED DECEMBER 2, 1999 AS DOCUMENT NUMBER [09127751](#), AND MODIFIED BY FIRST AMENDMENT TO DECLARATION OF EASEMENT DATED FEBRUARY 28, 2001 AND RECORDED MARCH 14, 2001 AS DOCUMENT NUMBER [0010200264](#), AND RERECORDED MARCH 21, 2001 AS DOCUMENT NUMBER [0010224736](#), DESCRIBED AS FOLLOWS:

THE EAST 35 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

A TRACT OF LAND LYING EASTERLY OF AND ADJOINING THE EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER, SAID TRACT OF LAND COMPRISED OF PART OF THE ORIGINAL BED OF SAID SOUTH BRANCH OF THE CHICAGO RIVER (ABANDONED), TOGETHER WITH SUNDRY LOTS AND BLOCKS IN SCHOOL SECTION ADDITION TO CHICAGO, BEING A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16, AT THE POINT OF INTERSECTION OF SAID LINE WITH THE EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER, SAID POINT BEING 1,016.47 FEET WEST OF THE NORTHWARD EXTENSION OF THE WEST LINE OF SOUTH CLARK STREET, AND RUNNING THENCE NORTH 89 DEGREES 55 MINUTES 29 SECONDS EAST ALONG SAID SOUTH LINE, A DISTANCE OF 287.476 FEET TO AN INTERSECTION WITH AN ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST, WITH A RADIUS OF 1,910.08 FEET, THE SOUTHERLY TERMINUS OF SAID ARC BEING A POINT WHICH IS 55.04 FEET SOUTH OF THE SOUTH LINE OF WEST ROOSEVELT ROAD, AS WIDENED, AND 703.52 FEET WEST OF THE WEST LINE OF SAID SOUTH CLARK STREET, THENCE NORTHWESTWARDLY ALONG SAID ARC, A DISTANCE OF 90.946 FEET TO A POINT WHICH IS 57.28 FEET, NORTH OF THE NORTH LINE OF SAID WEST ROOSEVELT ROAD, AND 739.73 FEET WEST OF SAID WEST LINE OF SOUTH CLARK STREET; THENCE NORTH 5 DEGREES 34 MINUTES 54 SECONDS WEST ALONG A STRAIGHT LINE A DISTANCE OF 508.47 FEET TO A POINT WHICH IS 280.80 FEET SOUTH OF THE SOUTH LINE OF WEST TAYLOR STREET AND 787.91 FEET WEST OF SAID WEST LINE OF SOUTH CLARK STREET; THENCE NORTHWARDLY ALONG THE ARC OF A CIRCLE, CONVEX TO THE WEST WITH A RADIUS OF

1,910.08 FEET, A DISTANCE OF 180.16 FEET TO A POINT WHICH IS 100.90 FEET SOUTH OF SAID SOUTH LINE OF WEST TAYLOR STREET AND 796.52 FEET WEST OF SAID WEST LINE OF SOUTH CLARK STREET; THENCE NORTH 00 DEGREES, 11 MINUTES 05 SECONDS, WEST ALONG A STRAIGHT LINE, SAID DISTANCE OF 100.90 FEET TO SAID SOUTH LINE OF WEST TAYLOR STREET; THENCE SOUTH 89 DEGREES 68 MINUTES 30 SECONDS WEST ALONG SAID SOUTH LINE OF WEST TAYLOR STREET, A DISTANCE OF 299.47 FEET TO AN INTERSECTION WITH THE AFORESAID EASTERLY BOUNDARY LINE OF THE NEW CHANNEL OF THE SOUTH BRANCH OF THE CHICAGO RIVER; THENCE SOUTH 05 DEGREES 35 MINUTES 30 SECONDS EAST ALONG SAID EASTERLY BOUNDARY LINE A DISTANCE OF 837.84 FEET TO A POINT WHICH IS 9.96 FEET NORTH OF THE NORTH LINE OF SAID WEST ROOSEVELT ROAD AND THENCE SOUTH 00 DEGREES 15 MINUTES 58 SECONDS EAST, CONTINUING ALONG SAID EASTERLY BOUNDARY LINE A DISTANCE OF 42.96 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

A NON-EXCLUSIVE, IRREVOCABLE, TEMPORARY EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY EASEMENT AGREEMENT DATED MARCH 20, 2001 AND RECORDED APRIL 17, 2001 AS DOCUMENT [0010311632](#) FOR THE PURPOSE OF STAGING, STORAGE AND CONSTRUCTION OF THE WELLS STREET EXTENSION OVER THE FOLLOWING DESCRIBED LAND:

A PARCEL OF LAND 10 FEET WIDE, RUNNING THE FULL LENGTH, NORTH TO SOUTH, OF THE FOLLOWING DESCRIBED PROPERTY AND ADJOINING THE WESTERN BOUNDARY OF THE FOLLOWING DESCRIBED PROPERTY:

A PARCEL OF LAND COMPRISED OF A PART OF BLOCKS 105 AND 106 IN SCHOOL SECTION ADDITION TO CHICAGO, IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, AND ALSO A PART OF LOTS 12 AND 13 IN STOWELL'S SUBDIVISION OF BLOCKS 106 AND 107 IN SAID SCHOOL SECTION ADDITION TO CHICAGO, WHICH PARCEL OF LAND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE NORTH LINE OF SAID BLOCK 105 (SAID NORTH LINE BEING ALSO THE SOUTH LINE OF W. TAYLOR STREET) SAID POINT BEING 5.00 FEET, AS MEASURED ALONG SAID NORTH LINE, EAST OF THE INTERSECTION OF SAID NORTH LINE WITH THE SOUTHWARD EXTENSION OF THE WEST LINE OF BLOCK 104 IN SAID SCHOOL SECTION ADDITION (SAID WEST LINE BEING ALSO THE EAST LINE OF S. WELLS STREET, 60 FEET WIDE) AND RUNNING THENCE WESTWARDLY ALONG SAID NORTH LINE OF BLOCK 105, A DISTANCE OF 65.0 FEET TO THE POINT OF BEGINNING, OF THE HEREINAFTER DESCRIBED PARCEL; THENCE SOUTHWARDLY ALONG A LINE PARALLEL WITH SAID WEST LINE OF BLOCK 104, A DISTANCE OF 100.90 FEET; THENCE SOUTHWARDLY ALONG A CURVED LINE TANGENTIAL TO THE LAST DESCRIBED COURSE, CONVEX TO THE WEST AND HAVING A RADIUS OF 1910.08 FEET, AN ARC DISTANCE OF 180.16 FEET TO THE POINT OF TANGENCY, SAID POINT BEING 280.98 FEET SOUTH FROM SAID SOUTH LINE OF TAYLOR STREET, PRODUCED EAST, MEASURED PARALLEL WITH THE WEST LINE OF SOUTH CLARK STREET, AND 787.91 FEET WEST OF THE WEST LINE OF SOUTH CLARK STREET, AS NOW ESTABLISHED, MEASURED PARALLEL WITH THE SOUTH LINE OF TAYLOR STREET; THENCE SOUTHWARDLY ALONG A STRAIGHT LINE, A DISTANCE OF 508.47 FEET TO A POINT OF CURVE, SAID POINT OF CURVE BEING 57.28 FEET NORTH FROM THE NORTH LINE OF WEST ROOSEVELT ROAD, AS NOW WIDENED, MEASURED PARALLEL TO THE WEST LINE OF CLARK STREET AND 739.73 FEET WEST FROM THE WEST LINE OF CLARK STREET, AS NOW ESTABLISHED, MEASURED PARALLEL WITH THE NORTH LINE OF WEST ROOSEVELT ROAD; THENCE SOUTHWARDLY ALONG A CURVED LINE TANGENTIAL TO THE LAST DESCRIBED COURSE, CONVEX TO THE WEST AND HAVING A RADIUS OF 1910.08 FEET, A DISTANCE OF 57.64 FEET TO A POINT ON THE NORTH LINE OF WEST ROOSEVELT ROAD, AS NOW WIDENED, SAID POINT BEING 733.41 FEET

WEST OF THE WEST LINE OF SOUTH CLARK STREET, AS NOW ESTABLISHED, AS MEASURED ALONG THE NORTH LINE OF WEST ROOSEVELT ROAD AS NOW WIDENED; THENCE WESTWARDLY ALONG SAID NORTH LINE OF WEST ROOSEVELT ROAD, AS WIDENED, A DISTANCE OF 67.59 FEET TO AN INTERSECTION WITH A LINE WHICH IS 65.00 FEET WESTERLY OF AND PARALLEL WITH THE SOUTHWARD EXTENSION OF THE WEST LINE OF BLOCK 104 IN SAID SCHOOL SECTION ADDITION; THENCE NORTHWARDLY ALONG SAID PARALLEL LINE A DISTANCE OF 843.83 FEET TO AN INTERSECTION WITH SAID NORTH LINE OF BLOCK 105; THENCE EAST ALONG SAID NORTH LINE OF BLOCK 105, A DISTANCE OF 5.00 FEET TO THE POINT OF BEGINNING. AND; A PARCEL WITHIN THE SOUTHERLY EXTENDED EAST AND WEST LINES OF CACCIATORE WELLS STREET PARCEL FROM THE NORTH LINE OF WEST ROOSEVELT ROAD, AS WIDENED, TO THE NORTHERLY LINE OF THE VENTURE PROPERTY.

PARCEL 5:

AN UNDIVIDED 1/2 INTEREST IN THAT PART OF VACATED WEST 16TH STREET IN THE EAST FRACTION OF THE SOUTHEAST 1/4 OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE WEST 1/2 OF LOT 1 IN BLOCK 4 IN CANAL TRUSTEES NEW SUBDIVISION OF BLOCKS IN THE EAST FRACTION OF THE SOUTHEAST 1/4 OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE NORTH 89 DEGREES 56 MINUTES 32 SECONDS WEST ALONG THE NORTH LINE OF LOT 1 BEING THE SOUTH LINE OF VACATED 16TH STREET FOR A DISTANCE OF 110.70 FEET TO THE CENTER LINE OF VACATED SOUTH LASALLE STREET; THENCE NORTH 00 DEGREES 01 MINUTES 02 SECONDS WEST ALONG THE NORTHERLY EXTENSION THEREOF 33.0 FEET TO THE SOUTH LINE OF EAST FRACTIONAL NORTHEAST 1/4 OF SECTION 21 AFORESAID; THENCE NORTH 89 DEGREES 56 MINUTES 32 SECONDS EAST ALONG THE LAST DESCRIBED 110.70 FEET TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE WEST 1/2 OF BLOCK 4 AFORESAID; THENCE SOUTH 00 DEGREES 01 MINUTES 02 SECONDS EAST ALONG THE LAST DESCRIBED LINE 33.0 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Common address and PINs:

17-21-203-004-0000
17-21-203-005-0000
17-21-203-006-0000
17-21-203-007-0000
17-21-204-001-0000
17-21-206-001-0000
17-21-207-001-0000
17-21-208-002-0000
17-21-208-004-0000
17-21-208-005-0000
17-21-209-006-0000
17-21-209-007-0000
17-21-210-002-0000
17-21-210-003-0000
17-21-210-004-0000
17-21-210-005-0000
17-21-210-006-0000
17-21-210-007-0000

17-21-210-062-0000
17-21-210-064-0000
17-21-210-086-0000
17-21-210-090-0000
17-21-210-092-0000
17-21-210-095-0000
17-21-210-098-0000
17-21-502-001-0000
17-21-503-003-0000
17-21-202-001-0000

EXHIBIT C

TIF-FUNDED INFRASTRUCTURE COMPONENTS

Infrastructure Component	Guaranteed Maximum Price	% TIF Eligible	TIF Eligible Cost
CTA Red Line Station	\$364,600,000	100%	\$364,600,000
Metra Realignment	\$84,500,000	100%	\$84,500,000
Clark Street Improvements	\$79,000,000	100%	\$79,000,000
15th Street Construction	\$13,000,000	100%	\$13,000,000
Sea Wall Improvements	\$20,200,000	50%	\$10,100,000
TOTAL ESTIMATED CONSTRUCTION COSTS*	\$561,300,000		\$551,200,000

*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 lesser of \$551,200,000 or 98.2% of the Project Budget.

EXHIBIT D

APPROVED PLANS AND SPECIFICATIONS

(not attached for recording)

EXHIBIT E
CONSTRUCTION CONTRACT

(not attached for recording)

EXHIBIT F

[Intentionally omitted]

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any: liens against personal property of the Developer securing the Lender Financing.

EXHIBIT H-1
PROJECT BUDGET

CTA Red Line Station	\$364,600,000
Metra Realignment	\$84,500,000
Clark Street Improvements	\$79,000,000
15th Street Construction	\$13,000,000
Sea Wall Improvements	\$20,200,000
TOTAL ESTIMATED CONSTRUCTION COSTS	\$561,300,000

EXHIBIT H-2
MBE/WBE BUDGET

CTA Red Line Station	\$364,600,000
Metra Realignment	\$84,500,000
Clark Street Improvements	\$79,000,000
15th Street Construction	\$13,000,000
Sea Wall Improvements	\$20,200,000
TOTAL ESTIMATED CONSTRUCTION COSTS	\$561,300,000

EXHIBIT I

APPROVED PRIOR EXPENDITURES

None.

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[To be retyped on Developer's Counsel's letterhead]

—, —

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Roosevelt/Clark Partners, LLC, a Delaware limited liability company ("Developer") in connection with the construction of certain facilities located in the Roosevelt/Clark Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) The 78 Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City");
- (b) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and
- (c) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign corporation under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's Articles of Incorporation or By-Laws or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of Developer.

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

5. Exhibit A attached hereto (a) identifies each class of capital stock of Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of Developer. Each outstanding share of the capital stock of Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested

claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

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

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

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

10. To the best of our knowledge after diligent inquiry, Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

This opinion is issued at Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

By: _____

Name: _____

EXHIBIT K

[Intentionally omitted]

ROOSEVELT/CLARK PARTNERS, LLC, a Delaware limited liability company

By: _____

Name

Title: _____

Subscribed and sworn before me this ____ day of _____
_____.

My commission expires: _____

Agreed and accepted:

Name

Title: _____

City of Chicago

Department of Planning and Development

EXHIBIT M

FORM OF TAX-EXEMPT CITY NOTE

INVESTMENT IN THIS NOTE INVOLVES A HIGH DEGREE OF RISK. IT IS SUITABLE ONLY FOR PERSONS WHO ARE ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT, INCLUDING TOTAL LOSS. NO ASSURANCE CAN BE PROVIDED THAT THE HOLDER OF THIS NOTE WILL NOT LOSE ITS ENTIRE INVESTMENT IN THIS NOTE. SEE "NOTEHOLDER RISKS" ATTACHED TO THIS NOTE.

THIS NOTE IS SUITABLE ONLY FOR PERSONS WHO HAVE NO NEED FOR LIQUIDITY. THIS NOTE MAY ONLY BE TRANSFERRED IN THE MANNER AND SUBJECT TO THE LIMITATIONS PROVIDED IN THE REDEVELOPMENT AGREEMENT.

THE CITY DOES NOT ENDORSE PROJECTIONS OF ANY KIND FROM ANY SOURCE AS TO THE SUFFICIENCY OF ALLOCATED [AVAILABLE] INCREMENTAL TAXES TO PAY PRINCIPAL OF AND INTEREST ON THIS NOTE. INVESTORS WHO RELY ON SUCH PROJECTIONS DO SO AT THEIR OWN RISK.

PRINCIPAL OF AND INTEREST ON THIS NOTE ARE PAYABLE SOLELY FROM ALLOCATED AVAILABLE INCREMENTAL TAXES ON DEPOSIT IN THE [] ACCOUNT, AS DEFINED IN THE HEREINAFTER DEFINED REDEVELOPMENT AGREEMENT. THE HOLDER OF THIS NOTE ACCEPTS THE RISK THAT THE AMOUNT OF ALLOCATED AVAILABLE INCREMENTAL TAXES MAY NOT BE SUFFICIENT TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

REGISTERED

NO. R-1

MAXIMUM AMOUNT

\$ _____

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

TAX INCREMENT ALLOCATION REVENUE NOTE (_____
REDEVELOPMENT PROJECT), [TAX-EXEMPT SERIES [A]

Registered Owner: [Developer]

Interest Rate: _____ per annum

Maturity Date: _____, _____ [twenty years from issuance date]

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note in the principal amount of \$_____ and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

Principal of and interest on this Note, payable solely from the [Available Incremental Taxes] [USE APPLICABLE TERM] (as defined in the hereinafter defined Redevelopment Agreement), is due August 1 of each year until the earlier of Maturity or until this Note is paid in full. A principal amortization schedule is attached as an exhibit to this Note. Payments shall first be applied to interest. Interest on this Note due on August 1 and _____ shall be paid from amounts on deposit in a capitalized interest fund maintained by _____ pursuant to [insert trust and depository documents] The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of [advances made from time to time by the Registered Owner] of \$_____ for the purpose of paying the costs of

certain eligible redevelopment project costs incurred by _____ [INSERT NAME OF DEVELOPER] (the "Project"), which were [acquired], [constructed] and [installed] in connection with the development of an approximately [____ acre/____ square foot] site/building in the _____ Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on _____, ____ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND PRINCIPAL OF AND INTEREST ON THIS NOTE ARE PAYABLE SOLELY FROM ALLOCATED [AVAILABLE] INCREMENTAL TAXES ON DEPOSIT IN THE _____ ACCOUNT OF THE TIF FUND (AS DEFINED IN THE REDEVELOPMENT AGREEMENT). THE HOLDER OF THIS NOTE ACCEPTS THE RISK THAT THE AMOUNT OF ALLOCATED [AVAILABLE] INCREMENTAL TAXES MAY NOT BE SUFFICIENT TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE. 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 OF OR INTEREST ON THIS NOTE. The principal of this Note is subject to redemption on any date upon and after five years after the issuance, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the

date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

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

THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO (I) AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) or (7) UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") THAT DELIVERS TO THE CITY AN INVESTOR LETTER IN THE FORM OF EXHIBIT P TO THE REDEVELOPMENT AGREEMENT REFERENCED BELOW, OR (II) A PERSON (OTHER THAN A DEALER) WHOM THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A(a)(1) UNDER THE SECURITIES ACT. ANY HOLDER OF THIS NOTE IS REQUIRED TO NOTIFY ANY POTENTIAL PURCHASER OF THIS NOTE OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

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

Pursuant to the Redevelopment Agreement dated as of [_____, ____] between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to [acquire] and [construct] the Project and to advance funds for the [construction of certain facilities] related to the Project on behalf of the City and to be reimbursed from amounts

on deposit in the Construction Escrow. The cost of such acquisition and construction 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.

This Note may be transferred only in the manner and subject to the limitations provided in Section [18.21] of the Redevelopment Agreement.

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 (_____ Redevelopment Project), [Tax-Exempt] Series [A], of the City of Chicago, Cook County, Illinois.

Comptroller
Date:

[Note: Use Applicable Definition: (Available Incremental Taxes v. Incremental Taxes)]

[The following "Noteholder Risks" constitutes an integral part of this Note.]

NOTEHOLDER RISKS

The purchase of or investment in the Note involves certain risks. Each prospective holder or purchaser of the Note, or any interest therein, should make an independent evaluation of the financial and business risks associated with holding or having an investment interest in the Note. Certain of these risks are set forth below. The following summary is not intended to be complete and does not purport to identify all possible risks that should be considered by prospective holders of the Note or any interests therein. Capitalized terms used herein have the meanings set forth in the Note.

All prospective holders of the Note are urged to consult with their financial adviser and legal counsel before acquiring the Note or any interest therein.

Loss of Investment

Investment in the Note involves a high degree of risk. It is suitable only for persons who are able to bear the economic risks of the investment, including total loss. No assurance can be provided that prospective holders of the Note will not lose their entire investment in the Note.

Lack of Liquidity

The Note is suitable only for persons who have no need for liquidity. The transferability of the Note is restricted. The Note may only be transferred in the manner and subject to the limitations provided in the Redevelopment Agreement. Investors in the Note must be prepared to hold the Note until the maturity of the Note.

Reliance on Projections

The City does not endorse projections of any kind from any source as to the sufficiency of Available Incremental Taxes to pay principal of and interest on the Note. Investors who rely on any such projections do so at their own risk.

The City's Office of Budget and Management ("OBM") produces five-year projection reports for each TIF district in the City for the purpose of evaluating resources and project balances ("District Projection Reports"). This information, which is currently publicly available, is used by the OBM to determine how much funding has been committed and how much funding is available for potential projects. The District Projection Reports and the projections included therein are not audited and do not represent a final accounting of funds. The District Projection Reports are not prepared for investors or as a basis for making investment decisions with respect to any notes, bonds or other debt obligations of the City that are payable from Incremental Taxes, including the Note. Prospective investors in the Note are cautioned not to rely on any of the information contained in the District Projection Reports.

Limited Obligations

THE NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM THE ALLOCATED [AVAILABLE] INCREMENTAL TAXES AFTER PAYMENT OF ALL OBLIGATIONS HAVING A PRIORITY OVER THE NOTE, IF ANY, AND SHALL BE A VALID CLAIM ONLY AGAINST SAID SOURCES. THE NOTE DOES NOT 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 NOTEHOLDER HAS NO RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THE NOTE.

There can be no assurance that Available Incremental Taxes will be sufficient for payment of amounts due and owing on the Note.

Limited Information

The Note was issued to the Developer under the Redevelopment Agreement as part of a commercial transaction negotiated by the Developer and the City. [The Developer] engaged a [consultant] to deliver a [feasibility report][projection report] to the City in connection with the Project, which included certain information about the Project Area, the Project and historical and projected [Available Incremental Taxes.] The report contained information as of its date only, and neither the Developer nor any other party have any obligation to update the report as of any subsequent date.

The City is under no continuing obligation to provide to any holder or prospective holder of the Note, or to post to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board or any other website, any current or updated information with respect to the Project Area, the Project, the historical and projected Available Incremental Taxes or the Note. The City does not prepare or have readily available any current or updated information about the Project Area, the Project or the Available Incremental Taxes.

Unavailability of City Funds

The City is not obligated to pay principal of or interest on the Note in any year in which there are inadequate Available Incremental Taxes. The City is obligated to pay the amount of any unpaid principal or accrued interest in any subsequent year but only to the extent of the availability of Available Incremental Taxes for those subsequent years. If, on the maturity date of the Note, any outstanding unpaid principal or interest on the Note exists for any reason, including without limitation the inadequacy of Available Incremental Taxes, such outstanding principal and/or interest will be forgiven in full and the City will have no further obligation to pay such outstanding amount. In such event, there would be no further payments of principal or interest in respect of the Note.

Risk of Failure to Maintain Levels of Assessed Valuation

[USE THE FOLLOWING PARAGRAPH IF THE NOTE PAYMENTS WILL BE PAID FROM PROJECT PINS ONLY]

There can be no assurance that the equalized assessed value of the Project property will remain the same throughout the term of the Note. Furthermore, the successful petition or application of any owner for the reduction of the assessed value of the Project property may cause the equalized assessed value of the [Property/Land/Project – USE THE RDA DEFINED TERM FOR THE REAL PROPERTY] to be less than the originally projected equalized assessed value. If any time during the term of the Note the actual equalized assessed value is less than what was projected, the generation of Available Incremental Taxes for payment on the Note is likely to be significantly impaired.

[USE THE FOLLOWING PARAGRAPH IF THE NOTE PAYMENTS WILL BE PAID FROM PROJECT AREA-WIDE INCREMENT]

There can be no assurance that the equalized assessed value of the Project property will remain the same throughout the term of the Note. Furthermore, the successful petition or application of any owner for the reduction of the assessed value of the Project property or any other properties in the Project Area may cause the equalized assessed value of properties in the Project Area to be less than the originally projected equalized assessed value. If any time during the term of the Note the actual equalized assessed value is less than what was projected, the generation of Available Incremental Taxes for payment on the Note is likely to be significantly impaired.

Risk of Change in Incremental Taxes

Prospective holders of the Note should carefully consider, among other factors, the risks associated with the ultimate generation of Available Incremental Taxes in the Project Area. These risks include, but are not limited to, the following:

1. Property tax rates are calculated by the Cook County Clerk for numerous funds of a number of taxing districts that tax all or part of the property in the Project Area. A reduction in the tax levies by the affected taxing districts may have an adverse effect on the Available Incremental Taxes.
2. Further changes may be made in the real property tax system by the State of Illinois or Cook County. Such changes could include various property tax rollbacks, abatements, exemptions, changes in the ratio of assessment, or relief measures, limitations on the amount or percent of increase in tax levies by taxing districts, or other measures that would limit the tax levy amount that could be extended to the property within the Project Area and, consequently, the projected Available Incremental Taxes generated. For example, if Illinois adopted practices used in other states, the property tax system could be changed so that schools would be financed from a source other than property taxes. This type of change could have a significant adverse effect upon Available Incremental Taxes.
3. Cook County's methodology and procedures used to assess the value of property may be altered resulting in a potentially reduced or altered valuation in a particular year or succession of years.

FUTURE LEGISLATION, REGULATIONS, GOVERNMENTAL OR JUDICIAL INTERPRETATION OF REGULATIONS OR LEGISLATION OR PRACTICES AND PROCEDURES RELATED TO PROPERTY TAX ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION COULD HAVE A MATERIAL EFFECT ON THE CALCULATION OR AVAILABILITY OF INCREMENTAL TAXES COLLECTED OR DISTRIBUTED AND THEREFORE A MATERIAL EFFECT ON THE AMOUNT OF AVAILABLE INCREMENTAL TAXES FOR PAYMENT OF PRINCIPAL OF AND INTEREST ON THE NOTE.

Changes in Multiplier and Tax Rate

The equalization factor annually determined by the Illinois Department of Revenue for properties located within Cook County (commonly referred to as the “multiplier”) may vary substantially in future years. A decrease in the multiplier would reduce the equalized assessed value of the taxable real property in the Project Area and, therefore, the Available Incremental Taxes available to pay principal of and interest on the Note. The future tax rates of the units of local government levying taxes in the Project Area either individually or on a composite basis, may differ from their historical levels. Any decrease in the composite tax rate of the governmental units would decrease the amount of Available Incremental Taxes available to pay principal of and interest on the Note. Any decrease in the composite tax rate of the governmental units could occur in future years as a result of various factors, including, but not limited to, one or more of the following: (a) reduced governmental costs; (b) constitutional or statutory spending or tax rate limitations; or (c) governmental reorganization or consolidation.

Economic Risks Affecting Incremental Taxes

Changing economic circumstances or events in the Project Area may result in reductions in Available Incremental Taxes available to pay principal of and interest on the Note. Relocations of major property owners to sites outside the Project Area or sales of major properties to tax-exempt entities could reduce the assessed valuation of the real properties in the Project Area. Substantial damage to or destruction of improvements within the Project Area could cause a material decline in assessed valuation and impair the ability of the taxpayers in the Project Area to pay their respective portions of real estate taxes. Similarly, there can be no assurance that the improvements in the Project Area will be sufficiently insured under fire and extended coverage insurance policies. Even if such insurance is sufficient, the proceeds thereof will not be assigned as security for the payment of real estate taxes or to secure payment of the Note. In addition, any insurance proceeds may not be sufficient to repair or rebuild said improvements. The restoration of such improvements may be delayed by other factors, or the terms of then-applicable mortgage financing could require the application of insurance proceeds to the reduction of mortgage balances. Any of the foregoing circumstances could result in the assessed valuation of property in the Project Area remaining depressed for an unknown period of time and decrease the amount of Available Incremental Taxes available to pay principal of and interest on the Note.

Results of operation of properties within the Project Area depend, in part, on sales, leases, rental rates and occupancy levels, which may be adversely affected by competition, suitability of the properties located in the Project Area, local unemployment, availability of transportation, neighborhood changes, crime levels in the Project Area, vandalism, rising operating costs and similar factors. Poor operating results of properties within the Project Area

may cause delinquencies in the payment of real estate taxes, reduce assessed valuations and increase the risk of foreclosures. Successful petitions by taxpayers to reduce their assessed valuations could adversely affect Available Incremental Taxes available for payment of principal of and interest on the Note.

Failure to Sell or Lease Property

At the time of Note issuance, the redevelopment plan called for the Developer [to sell/lease to commercial or industrial enterprises/retailers prior to/in connection with] completion of the Project. The slowdown, stoppage or failure of the Developer to complete the Project and to successfully sell/lease the Project could delay or reduce the amount of Available Incremental Taxes generated in the Project Area. Such delay or reduction could lead to a default in payments of the principal of and interest on the Note.

Reliance on Primary Taxpayers

If one or only a few property owners within the Project Area are responsible for generating a substantial amount of the Incremental Taxes, the generation of Available Incremental Taxes could be significantly adversely affected if such owner or owners and/or their tenants discontinue or curtail their businesses or terminate or default on their leases, and substitutes or replacements cannot be made on a timely basis.

Force Majeure Conditions

Riots, civil disturbances, vandalism, fires, and natural disasters or other "Acts of God" affecting the conditions and viability of the Project Area may reduce or eliminate the receipt of Incremental Taxes which would result in the reduction or elimination of Available Incremental Taxes to pay principal of and interest on the Note.

Contiguous Project Areas

The Project Area is, or may become, contiguous with other redevelopment areas designated by the City pursuant to the TIF Act. The TIF Act allows the City to expend Incremental Taxes collected from the Project Area which are in excess of the amounts required in each year to pay and secure obligations issued and project costs incurred with respect to the Project Area to pay for costs eligible for payment under the TIF Act which are incurred in such contiguous areas. In the event Incremental Taxes from the Project Area in excess of Available Incremental Taxes, along with the amounts required to (i) pay principal and interest coming due on the Note in any year, and (ii) be deposited in other funds and accounts maintained under the Redevelopment Agreement, are allocated to a contiguous project redevelopment area, such excess Incremental Taxes will not be available to remedy any future failure to pay principal of and interest on the Note.

Risk of Delay in Payment

The failure of current or future owners of real property in the Project Area to remit property taxes to Cook County when due or the failure of Cook County to timely remit

Incremental Taxes to the City could result in insufficient Available Incremental Taxes being available to pay principal of or interest on the Note when due.

Delays in Exercising Remedies

The enforceability of the Note is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and of liens securing such rights, and the police powers of the State of Illinois and its political subdivisions. Because of delays inherent in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly.

Remedies available to the Noteholder may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Note, or to preserve the tax-exempt status of the Note. The Note is not subject to acceleration due to payment default. Lack of remedies may entail risks of delay, limitation, or modification of the rights of the Noteholder. Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion.

Risk of Transferee Becoming a Debtor in Bankruptcy

If a transferee of the Note were to become a debtor under the United States Bankruptcy Code or applicable state laws, a creditor or trustee in bankruptcy of the transferee might argue that the sale of the Note by the transferee constituted a fraudulent conveyance or a pledge of the Note rather than a sale. If such positions were accepted by a court, then delays in principal and interest payments to the Noteholder could occur or reductions in the amounts of such payments could result. Additionally, if the transfer of the Note is re-characterized as a pledge, then a tax lien, governmental lien or other lien created by operation of law on the property of the transferee could have priority over the holder's interest in the Note.

Loss of Tax Exemption

Interest on the Note could become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Note as a result of a failure of the City to comply with certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"). An event of taxability does not trigger a mandatory redemption of the Note, and the Note will remain outstanding to maturity or until redeemed.

THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL POTENTIAL RISKS ASSOCIATED WITH THE NOTE.

* * * * *

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto [NAME OF ASSIGNEE] 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:

CITY OF CHICAGO
DEPARTMENT OF FINANCE

BY:

ITS:

CERTIFICATION OF EXPENDITURE

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$ _____ Tax Increment Allocation Revenue Note
(_____ Redevelopment Project, [Tax-Exempt] Series [A])
(the "Redevelopment Note")

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

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

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: _____

Commissioner
Department of Planning and Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT N

FORM OF SUBORDINATION AGREEMENT

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

SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the day of _____, _____ between the City of Chicago by and through its Department of Planning and Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

WITNESSETH:

WHEREAS, [DEFINE PROJECT] (the "Project"); and

WHEREAS, [DESCRIBE FINANCING AND SECURITY DOCUMENTS FOR LENDER FINANCING] (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

WHEREAS, Developer desires to enter into a certain The 78 Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02 (Covenant to Redevelop), 8.19 (Real Estate Provisions) and 8.21 (Annual Compliance Report) of the Agreement (collectively, the "Performance Covenants"); and

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with Developer as of the date hereof, subject, among other things, to (a) the execution by Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of Developer's default in connection therewith. Under no circumstances shall Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Lender:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Attention: _____</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602</p>	<p>With Copies To:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Attention: _____</p>

Attention: Finance and Economic Development Division	
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or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER], [a national banking association]

By:

Its: _____

CITY OF CHICAGO

By:

Its: Commissioner,
Department of Planning and Development

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF _____, ____

Roosevelt/Clark Partners, LLC

By:

Its:

Exhibit to Subordination Agreement – Legal Description (not attached for introduction)

EXHIBIT O
FORM OF PAYMENT BOND
(not attached for recording)

EXHIBIT P

FORM OF INVESTOR LETTER

_____, 20__

City of Chicago
Department of Planning and Development
121 N. LaSalle Street, Suite 1000
Chicago, Illinois 60602
Attention: Commissioner

Re: \$[_____] City of Chicago, Illinois Tax Increment Allocation Revenue Note
([_____] Redevelopment Project) Series [] issued to [_____]

Ladies and Gentlemen:

The undersigned (the "Investor") is the acquirer of the above-described note (the "Note"). The undersigned acknowledges that the Note was issued by the City of Chicago (the "City") for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Roosevelt/Clark Partners, LLC, a Delaware limited liability company (the "Developer") which were incurred in connection with the development of public infrastructure improvements (the "Project") in the Roosevelt/Clark Redevelopment Project Area (the "Redevelopment Area") in the City of Chicago.

The undersigned acknowledges that the Note was issued pursuant to an ordinance adopted by the City Council of the City on April 10, 2019 (the "Project Ordinance") and The 78 Redevelopment Agreement dated as of May ____, 2019 and recorded on _____, 2019 as Document Number _____ in the Office of the Cook County Recorder of Deeds (the "Agreement") by and between the City and the Developer.

In connection with the acquisition of the Note by the Investor, the Investor hereby makes the following representations upon which the City may rely:

1. The Investor is a [_____] duly formed, validly existing and in good standing under the laws of the State of [_____] and has authority to acquire the Note and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the acquisition of the Note.

[2. The Investor is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of the Securities and Exchange Commission (the "Commission") promulgated under the Securities Act of 1933, as amended (the "Securities Act") or a "qualified institutional buyer" within the meaning of Rule 144A of the Commission promulgated under the Securities Act. ¹]

¹ If the Investor is a broker or dealer and is purchasing the Note with a view toward any distribution, sale or resale of the Note or any beneficial interest therein, replace paragraph 2 with the following:

[2. The Investor is a “dealer” meeting the requirements of Rule 144A(a)(1)(ii) or (iii) of the Commission promulgated under the Securities Act.]

3.The Investor has sufficient knowledge and experience in financial and business matters, including the acquisition and ownership of notes issued by municipalities, to be able to evaluate the merits and risks of its investment in the Note, and the Investor is able to bear any economic risk associated with its investment in the Note.

[4.The Investor is acquiring the Note for its own account and not with a view toward any distribution, sale or resale of the Note. The Investor intends to hold the Note for an indefinite period of time. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale of the Note prior to maturity may not be possible.²¹

² *If the Investor is a broker or dealer and is purchasing the Note with a view toward any distribution, sale or resale of the Note or any beneficial interest therein, replace paragraph 4 with the following:*

[4. The Investor (i) has not solicited offers for, or offered or sold, and will not solicit offers for, or offer and sell the Note or any beneficial interest therein except to persons who it reasonably believes are “qualified institutional buyers” within the meaning of Rule 144A(a)(1) of the Commission promulgated under the Securities Act; (ii) has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell Notes by, any form of general solicitation or general advertising or in any manner involving a public offering; and (iii) shall inform each prospective purchaser of the Note or any beneficial interest therein of the restrictions on resale of the Note or beneficial interests therein under the Agreement.]

[¹ If the Investor is a “dealer” meeting the requirements of Section 144A(a)(1) (ii), replace paragraph 4 with the following:

4.The Investor (i) has not solicited offers for, or offered or sold, and will not solicit offers for, or offer and sell the Note or any beneficial interest therein, except to persons who it reasonably believes are “qualified institutional buyers” within the meaning of Rule 144A(a)(1) under the Securities Act; (ii) has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell Notes by, any form of general solicitation or general advertising or in any manner involving a public offering; and (iii) shall inform each prospective purchaser of the Note or any beneficial interest therein of the restrictions on resale of the Note or beneficial interests therein under the Agreement]

5.The Investor understands that the Note is not registered under the Securities Act and that such registration is not legally required as of the date hereof; and the Investor further understands that the Note (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service, and (d) will be delivered in a form which is not to be readily marketable.

6.The Investor understands that (a) the Note is a limited obligation of the City, payable solely from moneys on deposit in the [] Account (as defined in the Project Ordinance);

(b) the Note does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (c) no holder of the Note will have the right to compel the exercise of any taxing power of the City for payment of the principal of, or interest premium, if any, on the Note; and (d) the Note does not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof.

7. The Investor has read and considered the risk factors set forth in "Noteholder Risks" attached hereto.

8. The Investor has not relied upon the City for any information in connection with its acquisition of the Note. The Investor has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Developer, the Project and the Note. The Investor is in possession of all the information and material necessary to evaluate the merits and risks of the acquisition of the Note.

9. The Investor has been furnished with and has examined the Agreement and other documents, certificates and the legal opinions delivered in connection with the issuance of the Note. The Investor acknowledges that neither the City nor the Developer has prepared an offering document with respect to the Note. The Investor has made its own inquiry and analysis with respect to the Note and material factors affecting the payment of the Note.

10. The Investor acknowledges that with respect to the Notes, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, any holder of the Note or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto.

11. The Investor understands that the City, the Developer, their respective counsel and Bond Counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

Very truly yours,

[_____],

a[_____]

By: _____

Name: _____

Title: _____

[NOTE: Use applicable definition: (Available Increment Taxes v. Incremental Taxes)]

NOTEHOLDER RISKS

The purchase of or investment in the Note involves certain risks. Each prospective holder or purchaser of the Note, or any interest therein, should make an independent evaluation of the financial and business risks associated with holding or having an investment interest in the Note. Certain of these risks are set forth below. The following summary is not intended to be complete and does not purport to identify all possible risks that should be considered by prospective holders of the Note or any interests therein. Capitalized terms used herein have the meanings set forth in the Note.

All prospective holders of the Note are urged to consult with their financial adviser and legal counsel before acquiring the Note or any interest therein.

Loss of Investment

Investment in the Note involves a high degree of risk. It is suitable only for persons who are able to bear the economic risks of the investment, including total loss. No assurance can be provided that prospective holders of the Note will not lose their entire investment in the Note.

Lack of Liquidity

The Note is suitable only for persons who have no need for liquidity. The transferability of the Note is restricted. The Note may only be transferred in the manner and subject to the limitations provided in the Redevelopment Agreement. Investors in the Note must be prepared to hold the Note until the maturity of the Note.

Reliance on Projections

The City does not endorse projections of any kind from any source as to the sufficiency of available incremental taxes to pay principal and interest on the Note. Investor who rely on any such projections do so at their own risk.

The City's Office of Budget and Management ("OBM") produces five-year District Projection Reports for each TIF district in the City for the purpose of evaluating resources and project balances. This information, which is currently publicly available, is used by the OBM to determine how much funding has been committed and how much funding is available for potential projects. The reports and the projections including therein are not audited and do not represent a final accounting of funds. The reports are not prepared for investors or as a basis for making investment decisions with respect to any notes, bonds or other debt obligations of the City that are payable from available incremental taxes, including the Note. Prospective investors in Note are cautioned not to rely on any of the information contained in the District Projection Reports.

Limited Obligations

THE NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM THE AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM ONLY AGAINST SAID SOURCES. THE NOTE DOES NOT 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 NOTEHOLDER HAS NO 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 THE NOTE.

There can be no assurance that Available Incremental Taxes will be sufficient for payment of amounts due and owing on the Note.

Limited Information

The Note was issued to the Developer under the Redevelopment Agreement as part of a commercial transaction negotiated by the Developer and the City. [The Developer] engaged a [consultant] to deliver a [feasibility report][projection report] to the City in connection with the Project, which included certain information about the Project Area, the Project and historical and projected Available Incremental Taxes.] The report contained information as of its date only, and neither the Developer nor any other party have any obligation to update the report as of any subsequent date.

The City is under no continuing obligation to provide to any holder or prospective holder of the Note, or to post to EMMA or any website, any current or updated information with respect to the Project Area, the Project, the historical and projected Available Incremental Taxes or the Note. The City does not prepare or have readily available any current or updated information about the Project Area, the Project or the Available Incremental Taxes.

Unavailability of City Funds

The City is not obligated to pay principal of or interest on the Note in any year in which there are inadequate Available Incremental Taxes. The City is obligated to pay the amount of any unpaid principal or accrued interest in any subsequent year but only to the extent of the Available Incremental Taxes for those subsequent years. If, on the maturity date of the Note, any outstanding unpaid principal or interest on the Note exists for any reason, including without limitation the inadequacy of Available Incremental Taxes, such outstanding principal and/or interest will be forgiven in full and the City will have no further obligation to pay such outstanding amount. In such event, there would be no further payments of principal or interest in respect of the Note.

Risk of Failure to Maintain Levels of Assessed Valuation

There can be no assurance that the equalized assessed value of the Project property will remain the same throughout the term of the Note. Furthermore, the successful petition or application of any owner for the reduction of the assessed value of the Project property may cause the equalized assessed value of the Project Area to be less than the originally projected equalized assessed value of the property. If any time during the term of the Note the actual

equalized assessed value is less than what was projected, the generation of Available Incremental Taxes for payment on the Note is likely to be significantly impaired.

Risk of Change in Available Incremental Taxes

Prospective holders of the Note should carefully consider, among other factors, the risks associated with the ultimate generation of Available Incremental Taxes in the Project Area. These risks include, but are not limited to, the following:

1. Property tax rates are calculated by the County Clerk for numerous funds of a number of taxing districts that tax all or part of the property in the Project Area. A reduction in the tax levies by the affected taxing districts may have an adverse effect on the Available Incremental Taxes.
2. Further changes may be made in the real property tax system by the State of Illinois or Cook County. Such changes could include various property tax rollbacks, abatements, exemptions, changes in the ratio of assessment, or relief measures, limitations on the amount or percent of increase in tax levies by taxing districts, or other measures that would limit the tax levy amount that could be extended to the property within the Project Area and, consequently, the projected Available Incremental Taxes generated. For example, if Illinois adopted practices used in other states, the property tax system could be changed so that schools would be financed from a source other than property taxes. This type of change could have a significant adverse effect upon Available Incremental Taxes.
3. Cook County's methodology and procedures used to assess the value of property may be altered resulting in a potentially reduced or altered valuation in a particular year or succession of years.
4. Failure by Cook County to remit property taxes to the City on a timely basis could result in insufficient Available Incremental Taxes being available to pay principal of or interest on the Note when due.

FUTURE LEGISLATION, REGULATIONS, GOVERNMENTAL OR JUDICIAL INTERPRETATION OF REGULATIONS OR LEGISLATION OR PRACTICES AND PROCEDURES RELATED TO PROPERTY TAX ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION COULD HAVE A MATERIAL EFFECT ON THE CALCULATION OR AVAILABILITY OF AVAILABLE INCREMENTAL TAXES COLLECTED OR DISTRIBUTED.

Changes in Multiplier and Tax Rate

The equalization factor annually determined by the Illinois Department of Revenue for properties located within Cook County (commonly referred to as the "multiplier") may vary substantially in future years. A decrease in the multiplier would reduce the equalized assessed value of the taxable real property in the Project Area and, therefore, the Available Incremental Taxes available to pay debt service on the Note. The future tax rates of the units of local government levying taxes in the Project Area either individually or on a composite basis, may differ from their historical levels. Any decrease in the composite tax rate of the governmental units would decrease the amount of Available Incremental Taxes available to pay debt service

on the Note. Any decrease in the composite tax rate of the governmental units could occur in future years as a result of various factors, including, but not limited to, one or more of the following: (a) reduced governmental costs; (b) constitutional or statutory spending or tax rate limitations; or (c) governmental reorganization or consolidation.

Economic Risks Affecting Available Incremental Taxes

Changing economic circumstances or events in the Project Area may result in reductions in Available Incremental Taxes available to pay debt service on the Note. Relocations of major property owners to sites outside the Project Area or sales of major properties to tax-exempt entities could reduce the assessed valuation of the Project Area. Substantial damage to or destruction of improvements within the Project Area could cause a material decline in assessed valuation and impair the ability of the taxpayers in the Project Area to pay their respective portions of real estate taxes. There can be no assurance that the improvements in the Project Area are or will be insured under fire and extended coverage insurance policies, and, even if such insurance exists, the proceeds thereof will not be assigned as security for the payment of real estate taxes or to secure payment of the Note. In addition, any insurance proceeds may not be sufficient to repair or rebuild the improvements. The restoration of the improvements may be delayed by other factors, or the terms of then-applicable mortgage financing could require the application of insurance proceeds to the reduction of mortgage balances. Any of the foregoing circumstances could result in the assessed valuation of property in the Project Area remaining depressed for an unknown period of time and decrease the amount of Available Incremental Taxes available to pay debt service on The Note.

Results of operation of properties within the Project Area depend, in part, on sales, leases, rental rates and occupancy levels, which may be adversely affected by competition, suitability of the properties located in the Project Area in its local market, local unemployment, availability of transportation, neighborhood changes, crime levels in the Project Area, vandalism, rising operating costs and similar factors. Poor operating results of properties within the Project Area may cause delinquencies in the payment of real estate taxes, reduce assessed valuations and increase the risk of foreclosures. Successful petitions by taxpayers to reduce their assessed valuations could adversely affect available incremental Taxes available for payment of the Note.

Failure to Sell or Lease Property

At the time the Note was issued, the redevelopment plan called for the Developer [to sell/lease to commercial or industrial enterprises/retailers] prior to completion of the Project. The slowdown, stoppage or failure of the Developer to complete the Project and to successfully sell/lease the Project could delay or reduce the amount of Available Incremental Taxes generated in the Project Area. Such delay or reduction could lead to a default in payments of the principal of, and interest on, the Note.

Reliance on Primary Taxpayers

If one or only a few property owners within the Project Area are responsible for generating a substantial amount of the Available Incremental Taxes, the generation of Available Incremental Taxes could be significantly adversely affected if such owner or owners and/or their

tenants discontinue or curtail their businesses, terminate or default on their leases and substitutes or replacements cannot be found or located on a timely basis.

Force Majeure Conditions

Riots, civil disturbances, vandalism, fires, and natural disasters or other “Acts of God” affecting the conditions and viability of the Project Area may reduce or eliminate the receipt of Available Incremental Property.

Contiguous Project Areas

The Project Area is contiguous with other redevelopment areas designated by the City pursuant to the TIF Act and may become contiguous with others. The TIF Act allows the City to expend incremental taxes collected from the Project Area which are in excess of the amounts required in each year to pay and secure obligations issued and project costs incurred with respect to the Project Area to pay for costs eligible for payment under the TIF Act which are incurred in such contiguous areas. In the event Incremental Taxes from the Project Area in excess of Available Incremental Taxes and the amounts required to (i) pay principal and interest coming due on the Note in any year and (ii) be deposited in other funds and accounts maintained under the Redevelopment Agreement are allocated to a contiguous project redevelopment area, such excess incremental taxes will not be available to remedy any future failure to pay principal of and interest on the Note.

Risk of Delay in Payment of Available Incremental Taxes

The failure of current or future owners of property in the Project Area to remit property taxes to the City when due or the failure of the City to timely remit Available Incremental Taxes to the Noteholder could result in insufficient Available Incremental Taxes being available to pay principal of or interest on the Note when due.

Delays in Exercising Remedies

The enforceability of the Note is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors’ rights generally and of liens securing such rights, and the police powers of the State of Illinois and its political subdivisions. Because of delays inherent in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly.

Remedies available to holder of the Note may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Note, or to preserve the tax-exempt status of The Note. The Note is not subject to acceleration due to payment default. Lack of remedies may entail risks of delay, limitation, or modification of the rights of the holders of the Note. Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion.

Risk of Transferee Becoming a Debtor in Bankruptcy

If a transferee of the Note were to become a debtor under the United States Bankruptcy Code or applicable state laws, a creditor or trustee in bankruptcy of the transferee might argue that the sale of the Note by the transferee constituted a fraudulent conveyance or a pledge of the Note rather than a sale. If such positions were accepted by a court, then delays in principal and interest payments to holder the Note could occur or reductions in the amounts of such payments could result. Additionally, if the transfer of the Note is re-characterized as a pledge, then a tax lien, governmental lien or other lien created by operation of law on the property of the transferee could have priority over the holder's interest in the Note.

Loss of Tax Exemption

Interest on the Note could become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Note as a result of a failure of the City to comply with certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"). An event of taxability does not trigger a mandatory redemption of the Note, and the Note will remain outstanding to maturity or until redeemed.

THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL POTENTIAL RISKS ASSOCIATED WITH THE NOTE.

EXHIBIT Q

FORM OF COMPONENT COMMENCEMENT LETTER

[prepare on DPD letterhead]

[date]

[Roosevelt/Clark Partners, LLC]

Re: Approval to Commence Construction of [_____] Infrastructure Component at [_____] , under the terms and conditions of the 78 Redevelopment Agreement between the City of Chicago and Roosevelt/Clark Partners, LLC

Ladies and Gentlemen:

Pursuant to that certain the 78 Redevelopment Agreement (“Agreement”) dated May ____, 2019 by and between The City of Chicago (“City”) and Roosevelt/Clark Partners, LLC (the “Developer”), the Developer has requested that the City approve the Developer’s commencement of the [_____] Infrastructure Component of the Project (as defined in the Agreement). In support thereof, Developer has submitted a number of documents to the Department of Planning and Development (“DPD”).

DPD has reviewed the following documents and information supplied to it by the Developer (all section references and capitalized terms below are set forth in or defined in the Agreement):

(a) a Project Budget for the Component in accordance with the provisions of Section 3.03;

(b) the Scope Drawings and Plans and Specifications for the Component in accordance with the provisions of Section 3.02;

(c) evidence of the existence of all other necessary approvals and permits required by any state, federal or local statute, ordinance or regulation for the Component;

(d) evidence that the Developer has Equity and/or Lender Financing in the amounts set forth in Section 4.01 sufficient to complete the Component and satisfy its obligations under the Agreement;

(e) a copy of the Title Policy for the Property satisfying the requirements described in Section 5A.01(e);

(f) searches as described under Section 5.03, showing no liens against the Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens;

- (g) the Survey of the Property satisfying the requirements described in Section 5A.01(g);
- (h) certificates of insurance evidencing that the Developer, at its own expense, has insured the Property in accordance with Section 12;
- (i) an opinion of the Developer's counsel, substantially in the form attached as Exhibit J to the Agreement;
- (j) evidence of Prior Expenditures, if any, pertaining to the Infrastructure Component in accordance with the provisions of Section 4.05(a);
- (k) documentation with respect to current employment matters on the prior and pending Components of the Project, the MBE/WBE utilization plan for the pending Infrastructure Component of the Project, and a progress report containing all current information, if any, requested under Section 8.07;
- (l) copies of any updated or new phase I environmental audit or phase II environmental audit with respect to the Property, together with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits;
- (m) copies of the Developer's Articles of Organization or Articles of Incorporation, as applicable, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate or similar instrument in such form and substance as the Corporation Counsel may require; operating agreement of the entity; and such other organizational documentation as the City has requested; and an Economic Disclosure Statement, in the City's then current form;
- (n) a description of all pending or threatened litigation or administrative proceedings involving the Developer that will or may affect the ability of the Developer to complete the pending Infrastructure Component of the Project in accordance with the Agreement, 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;
- (o) except as already provided to the City in connection with a prior Infrastructure Component, copies of all executed operating leases, purchase or sale agreements and letters of intent relating to the Project, if any, a copy of the form lease(s), and a summary aggregating total tenant occupancy figures and base rent payments;
- (p) a copy of the Construction Contract for the pending Infrastructure Component of the Project pursuant to the requirements of Section 6.01; and
- (q) evidence that construction on the pending Infrastructure Component has not yet commenced.

Having reviewed all of the above documents and information and found them sufficient, I declare that the City is satisfied that the Developer may proceed with the commencement of

construction on the [] Infrastructure Component of the Project.

CITY OF CHICAGO

Commissioner
Department of Planning and Development