City of Chicago

O2017-3281

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	4/19/2017
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Negotiated sale of City-owned property at 6411-6313 S Cicero Ave to Hollis of Palos, LLC-Midway Series, A Limited Liability Co.
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

April 19, 2017

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS
AUTHORIZING THE NEGOTIATED SALE
AND CONVEYANCE OF CITY LAND TO HOLLIS OF PALOS, LLC-MIDWAY SERIES, A LIMITED LIABILITY COMPANY, AND DESIGNATING HOLLIS OF PALOS, LLC-MIDWAY SERIES AS DEVELOPER

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City has established the Community Development Commission ("CDC") to, among other things, designate redevelopment areas, approve redevelopment plans, and recommend the sale of parcels located in redevelopment areas, subject to the approval of the City Council; and

WHEREAS, the City is the owner of the real property commonly known as 6411-13 South Cicero Avenue, Chicago, Illinois 60546 (the "Property"), which is legally described on **Exhibit A** attached hereto; and

WHEREAS, pursuant to ordinances adopted by the City Council of the City (the "City Council") on May 17, 2000, and published at pages 30954 through 31096, in the Journal of the Proceedings of the City Council of such date: (i) a certain redevelopment plan and project ("Plan") for the Archer Central TIF Redevelopment Project Area (the "Area"), was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); (ii) the Area was designated as a redevelopment project area pursuant to the Act; and (iii) tax increment financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, the Property is located in the Area; and

WHEREAS, the appraised value of the Property is $1,320,000; and

WHEREAS, the Developer has submitted a proposal to the Department of Planning and Development ("Department") to purchase the Property for One Dollar ($1.00) in order to construct a Culver's Restaurant (the "Project"); and

WHEREAS, the Developer has agreed to undertake the construction of the Project pursuant to the terms and conditions of a redevelopment agreement in substantially the form attached hereto as Exhibit B (the "Redevelopment Agreement"); and

WHEREAS, by Resolution No. 17-CDC-1, adopted on January 10, 2017, the CDC authorized the Department to advertise its intent to negotiate a sale of the Property with the Developer and to request alternative proposals for the redevelopment of the Property, and recommended the sale of the Property to the Developer if no responsive alternative proposals were

received at the conclusion of the advertising period, or, if alternative proposals were received, if the Department determined in its sole discretion that it was in the best interest of the City to proceed with the Developer's proposal; and

WHEREAS, public notices advertising the Department's intent to enter into a negotiated sale of the Property with the Developer and requesting alternative proposals appeared in the *Chicago Sun-Times* on January 4, 2017, January 31,2017 and February 3, 2017; and

WHEREAS, no other responsive proposals were received by the deadline set forth in the aforesaid notices; ***now, therefore,***

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

SECTION 1. The foregoing recitals are hereby adopted as the findings of the City Council.

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

SECTION 3. The sale of the Property to the Developer for One Dollar ($1.00) is hereby approved. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer. The Commissioner of the Department (the "Commissioner") or a designee of the Commissioner is each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement, and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement and such other supporting documents.

SECTION 4. The Mayor or his proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, one or more quitclaim deeds conveying the Property to the Developer, or to a land trust of which the Developer is the sole beneficiary, or to an entity of which the Developer is the sole controlling party, subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

SECTION 5. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 6. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall take effect immediately upon its passage and approval.

Attachments: Exhibit A – Legal Description of Property
Exhibit B – Redevelopment Agreement

EXHIBIT A

LEGAL DESCRIPTION OF CITY PROPERTY

(Subject to Final Title Commitment and Survey)

PARCEL 1:

LOTS 37 TO 42 (EXCEPT (I) THE WEST 17 FEET OF SAID LOTS TAKEN FOR WIDENING CICERO AVENUE PURSUANT TO SUPERIOR COURT CASE NO. 451833; AND (II) THAT PART OF SAID LOTS LYING WESTERLY OF A STRAIGHT LINE BEGINNING AT A POINT IN THE NORTH LINE OF SAID LOT 42 WHICH IS 24 FEET EASTERLY OF THE ORIGINAL NORTHWEST CORNER OF SAID LOT 42 AND EXTENDING SOUTHEASTERLY TO A POINT IN THE SOUTH LINE OF SAID LOT 37 WHICH IS 31 FEET EASTERLY OF THE ORIGINAL SOUTHWEST CORNER OF SAID LOT 37 AS CONDEMNED BY DEPARTMENT OF PUBLIC WORKS AND BUILDINGS OF THE STATE OF ILLINOIS PURSUANT TO CASE NO. 64L 24336) IN BLOCK 5 IN MARQUETTE RIDGE, BEING A SUBDIVISION OF THE SOUTH ½ OF THE WEST ½ OF THE NORTHWEST ¼ AND THE NORTH ½ OF THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THE EAST 133 FEET THEREOF) IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 30 TO 36 (EXCEPT (I) THE WEST 17 FEET OF SAID LOTS TAKEN FOR WIDENING CICERO AVENUE PURSUANT TO SUPERIOR COURT CASE NO. 451833, AND (II) THAT PART OF SAID LOTS LYING WESTERLY OF A STRAIGHT LINE BEGINNING AT A POINT IN THE NORTH LINE OF LOT 36 WHICH IS 31 FEET EASTERLY OF THE ORIGINAL NORTHWEST CORNER OF LOT 36 AND EXTENDING SOUTHERLY TO A POINT IN THE SOUTH LINE OF LOT 30 WHICH IS 30 FEET EASTERLY OF THE ORIGINAL SOUTHWEST CORNER OF LOT 30 AS CONDEMNED BY DEPARTMENT OF PUBLIC WORKS AND BUILDINGS OF THE STATE OF ILLINOIS PURSUANT TO CASE NO. 64L 11423) IN BLOCK 5 IN MARQUETTE RIDGE, BEING A SUBDIVISION OF THE SOUTH ½ OF THE WEST ½ OF THE NORTHWEST ¼ AND THE NORTH ½ OF THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MEIRDIAN, (EXCEPT THE EAST 133 FEET THEREOF) IN COOK COUNTY, ILLINOIS.

PINs:
19-22-108-007-0000
19-22-108-008-0000
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19-22-108-010-0000
19-22-108-011-0000
19-22-108-012-0000
19-22-108-013-0000
19-22-108-043-0000

Commonly known as: 6411-13 S. Cicero Avenue, Chicago, Illinois 60464

EXHIBIT B

REDEVELOPMENT AGREEMENT

[Attached]

This Document Prepared by and
After Recording Return To:

City of Chicago
Department of Law Real Estate Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
(312) 744-0200

AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND

(The Above Space for Recorder's Use Only)

This **AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND**, as it may be amended from time to time ("Agreement"), is made on or as of the _____ day of _____, 2017 (the "Effective Date"), by and between the **CITY OF CHICAGO**, an Illinois municipal corporation and home rule unit of government ("City"), acting by and through its Department of Planning and Development (together with any successor department thereto, the "Department") and having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602, and **HOLLIS OF PALOS, LLC – MIDWAY SERIES**, an Illinois limited liability company ("Developer"), the office of which is located at 45 E. Burlington, #293, Riverside, Illinois 60546.

RECITALS

WHEREAS, pursuant to an ordinance adopted by the City Council of the City (the "City Council") on May 17, 2000, and published at pages 30954 through 31096, in the Journal of the Proceedings of the City Council (the "Journal") of such date: (i) a certain redevelopment plan and project ("Plan") for the Archer Central TIF Redevelopment Project Area, (the "Area"), was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); (ii) the Area was designated as a redevelopment project area pursuant to the Act; and (iii) tax increment financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, the Plan and the use of tax increment financing provides a mechanism to support new growth through leveraging private investment, and helping to finance land acquisition, demolition, remediation, site preparation and infrastructure for new development in the Area; and

WHEREAS, the Developer desires to purchase from the City, for One Dollar ($1.00), that certain vacant real property commonly known as 6411-13 South Cicero Avenue, Chicago, Illinois, and legally described in **Exhibit A** attached hereto (the "Property"); and

WHEREAS, the appraised fair market value of the Property is One Million Three Hundred Twenty Thousand Dollars ($1,320,000); and

WHEREAS, the Developer proposes to, and shall, construct on the Property a Culver's Restaurant, of approximately 3,954 square feet, with forty-five (45) parking spaces, outdoor seating, and a drive-through that shall accommodate ten (10) cars (the "Project"); and

WHEREAS, the Project shall create thirty (30) construction jobs, twenty (20) new full-time jobs and thirty (30) new part-time jobs, and shall meet the further requirements set forth in Section 40 below;

WHEREAS, the Property is located in the Area, and the Project is consistent with the Plan for the Area;

WHEREAS, previous Phase II Environmental Site Assessments ("Phase II ESAs") identified contamination above TACO Tier 1 commercial/industrial remediation objectives for the applicable use, as determined by Title 35 of the Illinois Administrative Code Part 742 and the Developer must enroll the Property in the Illinois Environmental Protection Agency (the "IEPA") Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 *et seq.*, and the regulations promulgated thereunder (the "SRP"), and, following the City's conveyance of the Property to the Developer, the Developer must obtain a comprehensive Final No Further Remediation Letter (as hereinafter defined); and

WHEREAS, the City Council, pursuant to an ordinance adopted on _____, 20__ (the "Project Ordinance Date"), and published at pages _____ through _____ in the Journal of the Proceedings of the City Council of such date, authorized the sale of the Property to the Developer for One Dollar ($1.00), subject to the execution, delivery and recording of this Agreement, and in consideration of the Developer's fulfillment of its obligations under this Agreement.

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

SECTION 1. INCORPORATION OF RECITALS.

The recitals set forth above constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

SECTION 2. PURCHASE PRICE / EARNEST MONEY / PERFORMANCE DEPOSIT.

2.1 Purchase Price. Subject to the terms, covenants and conditions of this Agreement, the City agrees to sell the Property to the Developer, and the Developer agrees to purchase the Property from the City, for One Dollar ($1.00) (the "Purchase Price") to be paid by cashier's check or certified check, on the Closing Date (defined in Section 3).

2.2 Earnest Money. [Intentionally omitted.]

2.3 Performance Deposit. At, or prior to, the Closing (as defined in Section 3), the Developer shall deposit with the City Sixty-Six Thousand Dollars ($66,000) as security for the performance of the Developer's obligations under this Agreement ("Performance Deposit"), which amount the City will retain until the City issues a Certificate of Completion (as defined in Section 12). The City will pay no interest to the Developer on the Performance Deposit. Upon the Developer's receipt of the Certificate of Completion, the Developer shall submit a written request for a return of the Performance Deposit, and the City shall return the Performance Deposit within ninety (90) days of receiving such request; provided, however, that in the event the Developer shall reasonably determine that the total cost of remediation, including professional and consulting expenses, shall exceed the cost of Four Hundred Thousand Dollars ($400,000.00) in the aggregate, the Developer shall be entitled to, but is not required to, terminate this Agreement, with full return of all deposits within 45 days of written notice thereof to the City from the Developer. Upon such notice, the City shall have no further obligations to, or in connection with, the Developer.

SECTION 3. CLOSING.

The closing of this Agreement and the closing of the transfer of the Property from the City to the Developer (together, the "Closing", which occurs on the "Closing Date") shall take place concurrently, and at the downtown offices of Greater Illinois Title Company, 120 North LaSalle Street, Chicago, Illinois 60602, or such other reputable title company as may be selected by the Developer (the "Title Company"). In no event shall the Closing occur (1) until and unless the conditions precedent set forth in Section 8 are all satisfied, unless the Department, in its sole discretion, waives one or more of such conditions; and (2) any later than ninety (90) days following the Project Ordinance Date (i.e., _____, 2017) (the "Outside Closing Date"), unless, at the Developer's request, the Department, in its sole discretion, extends the Outside Closing Date for up to 30 days. At the Closing, the City shall deliver to the Developer (a) the Deed (as defined below); (b) all necessary state, county and municipal real estate transfer declarations; and (c) possession of the Property.

SECTION 4. CONVEYANCE OF TITLE.

4.1 Form of Deed. The City shall convey the Property to the Developer by quitclaim deed ("Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the Deed, to the following:

a. the Plan for the Area, as may be amended, until such Plan expires;
b. standard exceptions in an ALTA title insurance policy;

c. general real estate taxes and any special assessments or other taxes;
d. all easements, encroachments, covenants and restrictions of record and not shown of record;
e. such other title defects that may exist; and
f. any and all exceptions caused by the acts of the Developer or its agents.

4.2 Recording Costs. The Developer shall at its expense record, or cause the Title Company to record, the Deed, this Agreement, and any other documents incident to the conveyance of the Property to the Developer.

4.3 Escrow. If the Developer requires conveyance through escrow, the Developer shall pay all escrow fees.

SECTION 5. TITLE, SURVEY AND REAL ESTATE TAXES.

5.1 Title Commitment and Insurance. Not less than 30 days before the Closing Date, the Developer shall order a current title commitment for the Property issued by the Title Company. The Developer shall pay the cost of, and shall be responsible for, obtaining on the Closing Date, any title insurance, extended coverage and any endorsements it deems necessary. The City agrees to provide the Title Company with a completed ALTA owner's statement, and other transfer documents typically required by the Title Company and typically provided by the City (but expressly excluding "gap" undertakings, title indemnities and similar liabilities) at or prior to the Closing. Promptly following the Closing, the Developer shall deliver to the City a copy of the owner's policy of title insurance that it obtains with respect to the Property.

5.2 Survey. The Developer will be responsible for obtaining, at Developer's expense, any survey for the Property, as it deems necessary.

5.3 Real Estate Taxes. The City shall use reasonable efforts to obtain the waiver or release of any delinquent real estate taxes or tax liens on the Property prior to the Closing Date, to the extent such taxes or tax liens can be waived or released through the submission of an abatement letter to the Cook County Treasurer, a motion to vacate a tax sale, or a petition for exemption. If, after using such reasonable efforts, the City is unable to obtain the waiver or release of any such tax liens or is unable to cause the Title Company to insure over such tax liens, or if the Property is encumbered with any other exceptions that would adversely affect the use and insurability of the Property for the development of the Project, the Developer shall have the option to do one of the following: (1) accept title to the Property subject to the exceptions, without reduction in the Purchase Price; or (2) terminate this Agreement by delivery of written notice to the City, in which event this Agreement shall be null and void, and except as otherwise specifically provided herein, neither party shall have any further right, duty or obligation hereunder. If the Developer elects not to terminate this Agreement as aforesaid, the Developer agrees to accept title subject to all exceptions.

5.4 Class C Property Tax Incentive. The Developer shall promptly apply for a Class C property tax incentive. The Department will recommend that the City Council support the ordinance for the incentive if the Developer meets the criteria established by the Assessor's Office for Cook County and the City of Chicago.

SECTION 6. PERMITS AND OTHER GOVERNMENTAL APPROVALS.

The Developer shall apply for and obtain all necessary permits, if any, and other approvals necessary for the Project, including, without limitation, a special use permit for the drive-through (collectively, the "Governmental Approvals"), prior to the Closing Date, unless the Department, in its sole discretion, agrees to waive such requirement.

SECTION 7. PROJECT BUDGET AND PROOF OF FINANCING.

The total budget for the Project is currently estimated to be Three Million Five Hundred Four Thousand Four Hundred Ninety-Nine Dollars ($3,504,499) (the "Preliminary Project Budget"). Not less than fourteen (14) days prior to the Closing Date, the Developer shall submit to the Department for approval: (1) a final budget for the Project which is materially consistent with the Preliminary Project Budget (the "Final Project Budget"); and (2) evidence of availability of one hundred percent (100%) of funds necessary to complete the Project, as shall be acceptable to the Department, in its sole discretion (the "Proof of Financing").

SECTION 8. CONDITIONS TO THE CITY'S OBLIGATION TO CLOSE.

The obligations of the City under this Agreement are contingent upon each of the following being satisfied at least seven (7) days prior to the Closing Date, or by such other date as may be specified, unless waived or extended in writing by the Commissioner.

8.1 Final Governmental Approvals. Developer shall have delivered to the City evidence of its receipt of all Governmental Approvals.

8.2 Budget and Proof of Financing. The City shall have approved the Developer's Final Project Budget and Proof of Financing as described in Section 7.

8.3 Simultaneous Loan Closing. On the date of the Closing, the Developer shall simultaneously close the financing necessary for the acquisition and construction of the Project, and be in a position to immediately commence construction of the Project.

8.4 Insurance. The Developer shall provide evidence of insurance reasonably acceptable to the City. The City shall be named as an additional insured on any liability insurance policies ($1M per occurrence and $2M aggregate) and as a loss payee (subject to the rights of any permitted mortgagee) on any property insurance policies from the Closing Date through the date the City issues the Certificate of Completion. With respect to property insurance, the City will accept an ACORD 28 form. With respect to liability insurance, the City will accept an ACORD 25 form, together with a copy of the endorsement that is added to the Developer's policy showing the City as an additional insured.

8.5 Legal Opinion. The Developer shall have delivered to the City a legal opinion stating, in part, that the Developer has been duly organized and that the Developer is duly authorized to enter into this Agreement. Such opinion shall be in a form and substance reasonably acceptable to the City's Corporation Counsel.

8.6 Due Diligence. The Developer shall have delivered to the City due diligence searches in Developer's name (UCC, State and federal tax lien, pending litigation and judgments in Cook County and the U.S. District Court for the Northern District of Illinois, and bankruptcy) showing no unacceptable liens, litigation, judgments or filings, as reasonably determined by the City's Corporation Counsel. Litigation searches must be provided with the Developer named as the plaintiff and with the Developer named as defendant.

8.7 Organization and Authority Documents. The Developer shall have delivered to the City: certified articles of organization, including all amendments thereto, of the Developer, as furnished and certified by the Secretary of State of the State of Illinois; a Certificate of Good Standing dated no more than thirty (30) days prior to the Closing Date, issued by the Secretary of State of the State of Illinois, as to the good standing of the Developer; certified operating agreement; and resolutions and such other organizational documents as the City may reasonably request.

8.8 Subordination Agreement. On the Closing Date, and prior to recording any mortgage approved pursuant to Section 8.2, the Developer shall, at the City's request, deliver to the City a subordination agreement substantially in a form acceptable to the City (the "Subordination Agreement"), in which the construction lender agrees to subordinate the lien of its mortgage to the covenants running with the land.

8.9 Representations and Warranties. On the Closing Date, each of the representations and warranties of the Developer in this Agreement shall be true and correct.

8.10 Other Obligations. On the Closing Date, the Developer shall have performed all of the other obligations required to be performed by the Developer under this Agreement as of the Closing Date.

8.11 Reconveyance Deed. Prior to the conveyance of the Property to the Developer, the Developer shall deliver to the City a special warranty deed for the Property in recordable form naming the City as grantee ("Reconveyance Deed"), for possible recording in accordance with Section 18.3.d. below.

If any of the conditions set forth above have not been satisfied to the City's reasonable satisfaction within the time periods provided for herein, the City may, at its option, terminate this Agreement after (a) delivery of written notice to the Developer at any time after the expiration of the applicable time period, stating the condition or conditions that have not been fulfilled, and (b) providing the Developer with forty-five (45) days to fulfill those conditions. If, after receiving notice and an opportunity to cure as described in the preceding sentence, the Developer still has not fulfilled the applicable conditions to the City's reasonable satisfaction, this Agreement shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder. Any forbearance by the City in exercising its right to terminate this Agreement upon a default hereunder shall not be construed as a waiver of such right.

SECTION 9. SITE PLANS AND ARCHITECTURAL DRAWINGS.

9.1 Site Plans. The Developer shall construct the Project on the Property in accordance with the site plan and elevations prepared by _____, which have been approved by the Department and which are attached hereto as **Exhibit B** (collectively, the "Working Drawings and Specifications"). No material deviation from the Working Drawings and Specifications may be made without the Department's prior written approval. If the Developer submits and the Department approves revised design development drawings and specifications after the date of this Agreement, the term "Working Drawings and Specifications" as used herein shall refer to the revised design development drawings and specifications upon the Department's written approval of the same.

9.2 Relocation of Utilities, Curb Cuts and Driveways. To the extent necessary to complete the Project, the Developer shall be solely responsible for and shall pay all costs in regard to: (1) the relocation, installation or construction of public or private utilities located on the Property; (2) the relocation, installation and construction of any curb cuts and driveways; (3) the repair or reconstruction of any curbs, vaults, sidewalks or parkways required in connection with the Developer's redevelopment; (4) the removal of existing pipes, utility equipment or building foundations located on the Property; and (5) the termination of existing water or other services. Any streetscaping, including any paving of sidewalks, landscaping and lighting provided by the Developer, as part of the Project, must be approved by the City.

9.3 Inspection by the City. For the period commencing on the Closing Date and continuing through the date the City issues the Certificate of Completion, any duly authorized representative of the City shall have access to the Property at all reasonable times for the purpose of determining whether the Developer is constructing the Project in accordance with the terms of this Agreement and all applicable federal, state and local statutes, laws, ordinances, codes, rules, regulations, orders and judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code of Chicago relating to waste disposal (collectively, "Laws").

9.4 Intentionally Omitted.

SECTION 10. LIMITED APPLICABILITY.

Any approval provided by the Department's Bureau of Economic Development is for the purpose of this Agreement only and does not constitute the approval required by the City's Department of Buildings, any other Department bureau (such as, but not limited to, the Department's Bureau of Zoning), or any other City department; nor does the approval by the Department pursuant to this Agreement constitute an approval of the quality, structural soundness or the safety of any improvements located or to be located on the Property. The approval given by the Department shall be only for the benefit of the Developer and any lienholder authorized by this Agreement.

SECTION 11. COMMENCEMENT AND COMPLETION OF PROJECT.

Subject to the receipt of all necessary Governmental Approvals, the Developer shall commence construction of the Project no later than 60 days following the Closing Date (i.e.,

_____, 20___) (the "Outside Construction Commencement Date"), provided that the Outside Construction Commencement Date may, in the Department's sole discretion, be extended by up to thirty (30) days, and the Developer shall complete the Project, as reasonably determined by the Department and evidenced by a Certificate of Completion, no later than five hundred forty five (545) days following the Outside Construction Commencement Date (i.e., _____, 20___) (the "Outside Construction Completion Date), provided that the Department may, in its sole discretion, extend such period for up to one hundred twenty (120) days. The Developer shall give written notice to the City within five (5) days after it commences construction of the Project. Any further extensions of the Outside Construction Commencement Date or the Outside Construction Completion Date shall require approval by the City Council. The Project shall be constructed in accordance with all applicable Laws.

SECTION 12. CERTIFICATE OF COMPLETION.

Upon the later of (a) completion of the Project, including but not limited to compliance with the MBE/WBE and City resident hiring requirements set forth in Section 22 (which includes, among other requirements, providing evidence that at least 50% of the initial new hires are residents of the City of Chicago), and (b) the Developer's recording the Final NFR Letter (as defined in Section 21), the Developer shall request from the City a Certificate of Completion (the "Certificate of Completion"). Within forty-five (45) days thereof, the City shall provide the Developer with either the Certificate of Completion or a written statement indicating in adequate detail how the Developer has failed to complete the Project in compliance with this Agreement, or is otherwise in default, and what measures or acts are necessary, in the sole reasonable opinion of the Department, for the Developer to take or perform in order to obtain the Certificate of Completion. If the Department requires additional measures or acts to assure compliance, the Developer shall resubmit a written request for the Certificate of Completion upon compliance with the City's response. The Certificate of Completion shall be in recordable form, and shall, upon recording, constitute a conclusive determination of satisfaction and termination of certain of the covenants in this Agreement and the Deed (but excluding those on-going covenants as referenced in Section 17) with respect to the Developer's obligations to construct the Project.

SECTION 13. RESTRICTIONS ON USE.

The Developer, for itself and its successors and assigns, agrees as follows:

13.1 The Developer shall not, in violation of applicable law, discriminate on the basis of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, or source of income in the sale, lease, rental, use or occupancy of the Property or any part thereof.

13.2 The Developer shall use the Property in compliance with the Plan.

13.3 The Developer shall construct the Project in accordance with the Working Drawings and Specifications, this Agreement and all Laws, covenants and restrictions of record.

13.4 For a period of ten (10) years following the date of issuance of the Certificate of Completion (the "Compliance Period"), the Developer shall use the Property solely for a Culver's Restaurant. The Developer shall not use the Property for any other purpose without the prior written approval of the Commissioner.

13.5 For the Compliance Period, a minimum of fifty percent (50%) of the Developer's employees at the restaurant must be residents of the City of Chicago. In addition, the Developer shall use good faith efforts to hire City residents for a minimum of seventy percent (70%) of its employees. Commencing one year after the date of the Certificate of Completion, and continuing annually thereafter for a period of 10 years, the Developer shall submit to the Department detailed written documentation evidencing compliance with the foregoing hiring requirements.

13.6 The Developer shall comply with all land use restrictions, institutional controls and other terms and conditions contained in the Final NFR Letter.

The Developer, for itself and its successors and assigns, acknowledges and agrees that the development and use restrictions set forth in this Section 13 constitute material, bargained-for consideration for the City and are intended to further the City's public policies.

SECTION 14. PROHIBITION AGAINST TRANSFER OF PROPERTY.

14.1 Definitions. For purposes of this Section 14, the following terms shall have the following meanings:

"FMV of the Property" means One Million Three Hundred Twenty Thousand Dollars ($1,320,000), which represents the current (as of the Transfer Date) appraised fair market value of the Property.

"Insider Party" means an individual or entity that is eligible to do business with the City, and that satisfies one or more of the following criteria:

(i) existing (as of the date of Transfer) shareholder, partner, or member of the Developer;

(ii) a spouse and/or issue or an entity solely controlled by a spouse and/or issue of any existing (as of the date of Transfer) shareholders, partners, or members of the Developer;

(iii) the trustee(s) of a testamentary trust for the benefit of the spouse and/or issue of any existing (as of the date of Transfer) shareholders, partners, or members of the Developer, that succeeded to Developer's interest upon any existing (as of the date of Transfer) shareholders, partners, or members of the Developer's death, divorce, or legal separation;

(iv) a new entity solely composed of any existing (as of the date of Transfer) shareholders, partners, or members of the Developer and their spouse and/or issues; or

(v) the Culver restaurant ceases to be operated by the Developer or current operator and is thereafter operated by the Culver corporate entity.

"Net Sales Proceeds" means the gross sales price at which the Developer sells the Property to a third-party, less closing costs and commissions, and less the outstanding principal amount of any mortgage on the Property that was approved, in writing, by the Department.

"Profit" means an amount equal to Net Sale Proceeds minus the FMV of the Property.

"Transfer" means directly or indirectly selling, transferring, conveying, leasing or otherwise disposing of all or substantially all of the Developer's assets, or any ownership interest in the Developer, or all or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) or any interest therein or the Developer's controlling interests therein (including, without limitation, a transfer by assignment of any beneficial interest under a land trust).

14.2 Restriction on Transfer Prior to Issuance of Certificate of Completion. Prior to the City's issuance of the Certificate of Completion, the Developer may not, without the prior written consent of the Department, which consent shall be in the Department's sole and absolute discretion: (a) engage in any Transfer; or (b) directly or indirectly assign this Agreement (an "Assignment"). The Developer acknowledges and agrees that the Department may withhold its consent under (a) or (b) above if, among other reasons, the proposed purchaser, transferee or assignee (or such entity's principal officers, members or directors) is in violation of any Laws, or if the Developer fails to submit sufficient evidence of the financial responsibility, business background and reputation of the proposed purchaser, transferee or assignee. In the event of a proposed sale, transfer, conveyance, lease or other disposition of all or any portion of the Property, the Developer shall provide the City copies of any and all sales contracts, legal descriptions, descriptions of intended use, certifications from the proposed purchaser, transferee or assignee, as applicable, regarding this Agreement and such other information as the City may reasonably request. The proposed purchaser, transferee or assignee must be qualified to do business with the City (including but not limited to anti-scofflaw requirement). If the City consents to a Transfer or Assignment prior to the City's issuance of the Certificate of Completion, then such consent shall be conditioned upon the Developer's paying to the City an amount equal to the "FMV of the Property" (as defined above) plus one hundred percent (100%) of the "Profit" (as defined above).

14.3 Transfer of Property During the Compliance Period. During the Compliance Period (as defined in Section 13.2 above), the Developer may not, without the prior written consent of the Department, which consent shall be in the Department's sole and absolute

discretion, close on a Transfer or Assignment, except to an Insider Party. If the Developer closes on a Transfer or an Assignment during the Compliance Period, the Developer shall pay to the City a dollar amount equal to the sum of the FMV of the Property, plus fifty percent (50%) of the Profit. Upon the expiration of the Compliance Period, no restriction on Transfers and Assignments will apply.

SECTION 15. LIMITATION UPON ENCUMBRANCE OF PROPERTY.

Prior to the issuance of the Certificate of Completion, the Developer shall not, without the Department's prior written consent, engage in any financing or other transaction which creates a financial encumbrance or lien on the Property, except for the purposes of obtaining: (a) funds necessary to acquire the Property; (b) funds related to the Proof of Financing or otherwise necessary to construct the Project in substantial accordance with the Final Project Budget; and (c) after construction, funds necessary to own, maintain and operate the Property in accordance with the requirements of this Agreement. After the issuance of the Certificate of Completion, no City consent shall be required for any type of financing or other transaction which creates a financial encumbrance or lien on the Property.

SECTION 16. MORTGAGEES NOT OBLIGATED TO CONSTRUCT.

Notwithstanding any other provision of this Agreement or of the Deed, the holder of any mortgage authorized by this Agreement (or any affiliate of such holder) shall not itself be obligated to construct or complete the Project, or to guarantee such construction or completion, but shall be bound by the other covenants running with the land specified in Section 17 and, at Closing, at the City's request, shall execute a Subordination Agreement. If any such mortgagee or its affiliate succeeds to the Developer's interest in the Property prior to the issuance of the Certificate of Completion, whether by foreclosure, deed-in-lieu of foreclosure or otherwise, and thereafter transfers its interest in the Property to another party (that is not also a mortgagee), such transferee shall be obligated to complete the Project, and shall also be bound by the other covenants running with the land specified in Section 17.

SECTION 17. COVENANTS RUNNING WITH THE LAND.

The parties agree, and the Deed shall so expressly provide, that the covenants, agreements, releases and other terms and provisions contained in Section 11 (Commencement and Completion of Project), Section 13 (Restrictions on Use), Section 14 (Prohibition Against Transfer of Property), Section 15 (Limitation Upon Encumbrance of Property), and Section 21.5 (Release for Environmental Conditions), touch and concern and shall be appurtenant to and shall run with the Property. Such covenants, agreements, releases and other terms and provisions shall be binding on the Developer and its successors and assigns (subject to the limitation set forth in Section 16 above as to any permitted mortgagee) to the fullest extent permitted by law and equity for the benefit and in favor of the City, and shall be enforceable by the City. Such covenants, agreements, releases and other terms and provisions shall terminate as follows: Sections 11, 13.3, 14.2 and 15 upon the issuance of the Certificate of Completion; Section 13.2 upon the expiration of the Redevelopment Plan; Sections 13.4 and 13.5 upon the expiration of the Compliance Period, unless terminated in writing at an earlier date in the sole discretion of the Commissioner; Section 13.6 in accordance with the terms of the Final NFR Letter; and Sections 13.1 and 21.5

with no limitation as to time.

SECTION 18. PERFORMANCE AND BREACH.

18.1 Time of the Essence. Time is of the essence in the Developer's performance of its obligations under this Agreement.

18.2 Permitted Delays. The Developer shall not be considered in breach of its obligations under this Agreement in the event of a delay due to unforeseeable causes beyond the Developer's control and without the Developer's fault or negligence, including but not limited to, acts of God, acts of the public enemy, acts of the United States government, fires, floods, epidemics, quarantine restrictions, strikes, embargoes, material shortages, and unusually severe weather or delays of contractors or subcontractors due to such causes. The time for the performance of the obligations shall be extended only for the period of the delay and only if the Developer requests it in writing of the City within thirty (30) days after the beginning of any such delay.

18.3 Breach.

a. Generally. Except as provided in Section 18.3.b., if the Developer defaults in performing its obligations under this Agreement, the City shall deliver written notice of such default, after which the Developer shall have a 60-day cure period to remedy such default. If the default is not capable of being cured within the 60-day period, then provided the Developer has commenced to cure the default and is diligently proceeding to cure the default within the 60-day period, and thereafter diligently prosecutes such cure through to completion, then the 60-day period shall be extended for the length of time that is reasonably necessary to cure the default. If the default is not cured in the time period provided for herein, the City may institute such proceedings at law or in equity as may be necessary or desirable to cure and remedy the default, including but not limited to, proceedings to compel specific performance.

b. Event of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" after written notice from the City (if required):

1. The Developer fails to perform any obligation of the Developer under this Agreement, which default is not cured pursuant to Section 18.3.a.; or

2. The Developer makes or furnishes a warranty, representation, statement or certification to the City (whether in this Agreement, an Economic Disclosure Form, or another document) which is not true and correct, which default is not cured pursuant to Section 18.3.a.; or

3. A petition is filed by or against the Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or

hereafter existing, which is not vacated, stayed or set aside within sixty (60) days after filing; or

4. Except as excused by Section 18.2 above, the Developer abandons or substantially suspends the Project for a period of time greater than 60 days (no notice or cure period shall apply); or

5. The Developer fails to timely submit an application with the Cook County Assessor for a Class C Property Tax Incentive, as required by Section 5.4; or

6. The Developer fails to comply with the operating covenant set forth in Section 13.4 or the hiring and reporting requirements set forth in Section 13.5 (30-day cure period shall apply); or

7. Unless being contested in good faith by the Developer, the Developer fails to timely pay real estate taxes or assessments affecting the Property or suffers or permits any levy or attachment, material suppliers' or mechanics' lien, or any other lien or encumbrance unauthorized by this Agreement to attach to the Property, which default is not cured pursuant to Section 18.3.a.; or

8. The Developer makes an assignment, pledge, unpermitted financing, encumbrance, transfer or other disposition in violation of this Agreement (no notice or cure period shall apply); or

9. The Developer's financial condition or operations adversely change to such an extent that would materially and adversely affect the Developer's ability to complete the Project, which default is not cured pursuant to Section 18.3.a.; or

10. The Developer fails to perform, keep or observe any of the other covenants, promises, agreements, or obligations under this Agreement, including but not limited to, the covenants set forth in Sections 13 and 17 herein, or any other written agreement entered into with the City with respect to this Project, which default is not cured pursuant to Section 18.3.a.; or

11. Failure to close by the Outside Closing Date, unless the Department in its sole discretion extends the Outside Closing Date in accordance with Section 3 of this Agreement (no notice or cure period shall apply), provided that the Commissioner shall not extend the Outside Closing Date beyond one 30-day period without first obtaining City Council approval.

12. The Developer fails to adhere to the minimum employment percentage requirements further described in Section 40 of this Agreement entitled "Additional Requirements."

c. Prior to Conveyance. Prior to Conveyance, if an Event of Default occurs and is continuing, and the default is not cured in the time period provided herein, the City may terminate this Agreement, and institute any action or proceeding at law or in equity against the Developer.

d. After Conveyance. If an Event of Default occurs after the Conveyance but prior to the date of the Certificate of Completion, and the default is not cured in the time period provided for in this Section 18.3, the City may terminate this Agreement and exercise any and all remedies available to it at law or in equity, including, without limitation, the right to re-enter and take possession of the Property, terminate the estate conveyed to the Developer, and direct the Title Company to record the Reconveyance Deed for the purpose of revesting title to the Property in the City (the "Right of Reverter"); provided, however, the City's Right of Reverter shall be limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement. If the Reconveyance Deed is recorded by the Title Company, the Developer shall be responsible for all real estate taxes and assessments which accrued during the period the Property was owned by the Developer, and shall cause the release of all liens or encumbrances placed on the Property during the period of time the Property was owned by the Developer. The Developer will cooperate with the City and Title Company to ensure that if the Title Company records the Reconveyance Deed, such recording is effective for purposes of transferring title to the Property to the City, subject only to those title exceptions that were on title as of the date and time that the City conveyed the Property to the Developer and except for any mortgage authorized by this Agreement.

Notwithstanding the foregoing to the contrary, prior to its exercise of its Right of Reverter, the City shall provide written notice to the Developer of its intent to exercise its Right of Reverter, and the Developer shall have an additional ninety (90) days to cure the applicable Event of Default.

Following the revesting in the City of title to the Property as provided in this Section 18.3.d., the City shall employ its best efforts to convey the Property (subject to all existing encumbrances) to a qualified and financially responsible party (reasonably acceptable to the first mortgagee) for the fair market value of the Property. Such purchaser is subject to the covenants that run with the Property, as specified in Section 17.

If the City sells the Property as provided for in this Section 18.3.d., the proceeds from the sale shall be utilized to reimburse the City for:

1. the fair market value of the Property, which fair market value shall equal the appraised fair market value of the Property as of a date not more than one hundred eighty (180) days prior to the sales date; and

2. costs and expenses incurred by the City (including, without limitation, salaries of personnel) in connection with the recapture, management and resale of the Property; and

3. all unpaid taxes, assessments, and water and sewer charges assessed against the Property; and

4. any payments made (including, without limitation, reasonable attorneys' fees and court costs) to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer; and

5. any expenditures made or obligations incurred by the City with respect to construction or maintenance of the Project; and

6. any other amounts owed to the City by the Developer.

The Developer shall be entitled to receive any remaining proceeds.

Notwithstanding anything contained herein to the contrary, the City's Right of Reverter shall terminate on the date of the Certificate of Completion. Following the City's issuance of the Certificate of Completion, the Developer may request in writing the return of the Reconveyance Deed, and the City shall return the Reconveyance Deed to the Developer promptly following its receipt of such request, or provide an affidavit stating that the City no longer is entitled to record the Reconveyance Deed.

e. Waiver and Estoppel. Any delay by the City in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive the City of or limit such rights in any way. No waiver made by the City with respect to any specific default by the Developer shall be construed, considered or treated as a waiver of the rights of the City with respect to any other defaults of the Developer.

SECTION 19. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

The Developer warrants that no agent, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement or the Property, nor shall any such agent, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any entity or association in which he or she is directly or indirectly interested. No agent, official, or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any

amount which may become due to the Developer or successor or on any obligation under the terms of this Agreement.

SECTION 20. INDEMNIFICATION.

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) (collectively "Losses") suffered or incurred by the City arising from or in connection with: (1) an Event of Default that has occurred; (2) the failure of the Developer or any of Developer's contractors, subcontractors or agents to pay contractors, subcontractors or material suppliers in connection with the construction of the Project; (3) the failure of the Developer to redress any misrepresentations or omissions in this Agreement or any other agreement relating hereto; and (4) any actions, including but not limited to, conducting environmental tests on the Property as set forth in Section 21 herein, resulting from any activity undertaken by the Developer on the Property prior to or after the conveyance of said Property to the Developer by the City; provided, however, the Developer shall have no obligation to indemnify the City for Losses (i) to the extent such Losses are caused by the City or its agents, or (ii) to the extent such Losses were not suffered or incurred by the City in connection with any of items (1) through (4) set forth in the first sentence of this Section 21 and arose after the City has re-acquired the Property from the Developer. This indemnification shall survive any termination of this Agreement (regardless of the reason for such termination).

SECTION 21. ENVIRONMENTAL MATTERS.

21.1 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Draft NFR Letter" means a draft comprehensive "No Further Remediation" Letter issued by the IEPA for the Property based on TACO Tier 1 commercial/industrial remediation objectives, as amended or supplemented from time to time. The Draft NFR Letter shall state that the Property meets TACO Tier 1 commercial/industrial remediation objectives for the appropriate use of the site and the construction worker exposure route as set forth in 35 Ill. Adm. Code Part 742, as amended or supplemented from time to time, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Environmental Laws" means any and all Laws relating to the regulation and protection of human health, safety, the environment and natural resources now or hereafter in effect, as amended or supplemented from time to time, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*, any and all regulations promulgated under such Laws, and all analogous state and local counterparts or equivalents of

such Laws, including, without limitation, the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*, and the common law, including, without limitation, trespass and nuisance.

"Environmental Remediation Work" shall mean all investigation, sampling, monitoring, testing, reporting, removal (including, excavation, transportation and disposal), response, storage, remediation, treatment and other activities necessary for the performance of the Project, all in accordance with all requirements of the IEPA, and all applicable Laws, including, without limitation, all applicable Environmental Laws.

"Final NFR Letter" means a final comprehensive "No Further Remediation" letter issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final NFR Letter shall state that the Property meets TACO Tier 1 commercial/industrial remediation objectives and the construction worker exposure route as set forth in 35 Ill. Adm. Code Part 742, as amended or supplemented from time to time, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Hazardous Substance" means 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 Laws, or any pollutant, toxic vapor, or contaminant, and shall include, but not be limited to, petroleum (including crude oil or any fraction thereof), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"TACO" means the Tiered Approach to Corrective Action Objectives codified at 35 Ill. Adm. Code Part 742 *et seq.*

21.2 "AS IS" Sale. THE DEVELOPER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY (AND ANY IMPROVEMENTS THEREON). THE DEVELOPER AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE DEVELOPER AGREES THAT IT IS THE DEVELOPER'S SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH

OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

21.3 Right of Entry. Pursuant to the Developer's request, the City previously granted the Developer the right, at its sole cost and expense, to enter the Property pursuant to one or more right of entry agreements to inspect the same, perform surveys, environmental assessments, soil and any other due diligence deemed necessary or desirable to satisfy itself as to the condition of the Property. The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the Property.

21.4 Environmental Remediation.

(a) The Developer acknowledges and agrees that previous Phase II ESAs of the Property disclosed the presence of contaminants exceeding TACO Tier 1 commercial/industrial remediation objectives as determined by Title 35 of the Illinois Administrative Code Part 742. The Developer is required to enroll the Property in the SRP and take all necessary and proper steps to obtain a Draft NFR Letter for the Property prior to the Closing; provided, however, in the event the Developer shall reasonably determine that the total cost of remediation, including professional and consulting expenses, shall exceed the cost of Four Hundred Thousand Dollars ($400,000.00) in the aggregate, the Developer shall be entitled to, but is not required to, terminate this Agreement, with full return of the Performance Deposit within 45 days of written notice thereof to the City from the Developer. Upon such notice, the City shall have no further obligations to, or in connection with, the Developer. If the Developer elects not to terminate this Agreement pursuant to this Section 21.4, the Developer shall be deemed satisfied with the condition of the Property. The Developer acknowledges and agrees that it may not commence construction on the Property until the IEPA issues, and the Department of Fleet and Facility Management ("DFFM") approves, a Draft NFR Letter for the Property.

(b) After DFFM approves the Draft NFR Letter for the Property, the Developer covenants and agrees to complete all Environmental Remediation Work and diligently pursue the Final NFR Letter for the Property using all reasonable means. If the construction activities associated with the Project reveal evidence of underground storage tanks (USTs), the Developer shall remove all USTs from the Property in accordance with all regulations and ensure any identified leaking USTs are properly addressed in accordance with 35 Ill. Adm. Code 734. The contractors selected by the Developer, and the terms of their contracts must be approved by the City, prior to the commencement of any Environmental Remediation Work on the Property. The Developer shall be solely responsible for all site preparation costs, including, but not limited to, the removal of pre-existing building foundations, soil exceeding remediation objectives as determined by Title 35 of the Illinois Administrative Code Part 742, and demolition debris, and the removal, disposal, storage, remediation, removal or treatment of all Hazardous Substances from the Property.

(c) The City shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented

from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the Remedial Action Plan, and the Remedial Action Completion Report (collectively, the "SRP Documents") and any changes thereto, and the Developer's estimate of the cost to perform the Environmental Remediation Work. The Developer shall cooperate and consult with the City at all relevant times (and in all cases upon the City's request) with respect to environmental matters. The Developer shall bear sole responsibility for all aspects of the Environmental Remediation Work and any other investigative and cleanup costs associated with the Property. The Developer shall promptly transmit to the City copies of all SRP Documents, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies with respect to the Environmental Remediation Work. The Developer acknowledges and agrees that the City will not issue a Certificate of Completion or a Certificate of Occupancy for the Project until the IEPA has issued, and the City has approved, and the Developer has recorded with the County of Cook Recorder of Deeds, a Final NFR Letter for the Property, which approval shall not be unreasonably withheld. The Developer must abide by the terms and conditions of the Final NFR Letter.

21.5 Release and Indemnification. The Developer, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under them (collectively, the "Developer Parties"), hereby releases, relinquishes and forever discharges the City, its officers, agents and employees, from and against any and all Losses which the Developer Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the Effective Date, based upon, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substance, or threatened release, emission or discharge of Hazardous Substances; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substance in, on, under or about the Property or the migration of Hazardous Substance from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under CERCLA; and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"); provided, however, the foregoing release shall not apply to the extent such Losses are proximately caused by the gross negligence or willful misconduct of the City following the Effective Date. Furthermore, the Developer shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the City and its officers, agents and employees harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the Developer Parties)

arising out of or in any way connected with, directly or indirectly, any of the Released Claims, except as provided in the immediately preceding sentence for the City's gross negligence or willful misconduct following the Effective Date.

21.6 Release Runs with the Property. The covenant of release in Section 21.5 above shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer or Developer Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, the Developer and any of the Developer Parties shall not assert that those obligations must be satisfied in whole or in part by the City, because Section 21.5 contains a full, complete and final release of all such claims, except as provided in such section for the City's gross negligence or willful misconduct following the Effective Date.

21.7 Survival. This Section 21 shall survive the Closing Date or any termination of this Agreement (regardless of the reason for such termination).

SECTION 22. DEVELOPER'S EMPLOYMENT OBLIGATIONS.

22.1 Employment Opportunity. The Developer agrees, and shall contractually obligate its various contractors, subcontractors and any affiliate of the Developer operating on the Property (collectively, the "Employers" and individually, an "Employer") to agree, that with respect to the provision of services in connection with the construction of the Project:

(a) Neither the Developer nor any Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, gender identity, 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, Section 2-160-010 *et seq.* of the Municipal Code of Chicago, as amended from time to time (the "Human Rights Ordinance"). The Developer and each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon the foregoing grounds, 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. The Developer and 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 Developer and each Employer, in all print solicitations or advertisements for employees, shall state that all qualified applicants

shall receive consideration for employment without discrimination based upon the foregoing grounds.

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

(c) The Developer and each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including, without limitation, the 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) The Developer, in order to demonstrate compliance with the terms of this Section 22.1, shall cooperate with and promptly and accurately respond to reasonable 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) The Developer and each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the construction of 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 shall be a basis for the City to pursue remedies under the provisions of Section 18.

22.2 City Resident Employment Requirement. The Developer agrees, and shall contractually obligate each Employer to agree, that during the construction of the Project, the Developer and each Employer shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 2-92-330 of the Municipal Code of Chicago (at least fifty percent); provided, however, that doing so does not violate a collective bargaining agreement of Developer or an Employer and that in addition to complying with this percentage, the Developer and each Employer shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

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

(b) "Actual residents of the City of Chicago" shall mean persons domiciled within the City of Chicago. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

(c) The Developer and the Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the construction of Project. The Developer and the Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

(d) The Developer and the Employers shall submit weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) to the Department 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 Developer or Employer hired the employee should be written in after the employee's name.

(e) The Developer and the Employers shall provide full access to their employment records to the chief procurement officer, the Department, the Superintendent of the Chicago Police Department, the inspector general, or any duly authorized representative thereof. The Developer and the Employers shall maintain all relevant personnel data and records for a period of at least three (3) years after the issuance of the Certificate of Completion.

(f) At the direction of the Department, the Developer and the Employers shall provide affidavits and other supporting documentation to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

(g) Good faith efforts on the part of the Developer and the Employers to provide work for 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 22.2 concerning the worker hours performed by actual Chicago residents.

(h) If the City determines that the Developer or an Employer failed to ensure the fulfillment of the requirements of this Section 22.2 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 22.2. If such non-compliance is not remedied in accordance with the breach and cure provisions of Section 18.3, the parties agree that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Final Project Budget shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago

residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer and/or the other Employers or employees to prosecution.

(i) 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.

(j) The Developer shall cause or require the provisions of this Section 22.2 to be included in all construction contracts and subcontracts related to the construction of the Project.

22.3 Developer's MBE/WBE Commitment. The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the general contractor to agree, that during the construction of the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 22.3, during the course of construction of the Project, at least 26% of the aggregate hard construction costs, together with related soft costs, shall be expended for contract participation by minority-owned businesses and at least 6% of the aggregate hard construction costs, together with related soft costs, shall be expended for contract participation by women-owned businesses.

(b) For purposes of this Section 22.3 only:

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

(ii) The term "minority-owned business" or "MBE" 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.

(iii) The term "women-owned business" or "WBE" 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.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture, or (ii) the amount of any actual work performed on the Project by the MBE or WBE); by the Developer utilizing a MBE or a WBE as the general contractor (but only to the extent of any actual work performed on the Project by the general contractor); by subcontracting or causing the general contractor to subcontract a portion of the construction of the Project to one or more MBEs or WBEs; by the purchase of materials or services used in the construction of the Project from one or more MBEs or WBEs; or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 22.3. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE general contractor or subcontractor without the prior written approval of the Department.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the general contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the construction of the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the construction of the Project for at least five (5) years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on prior notice of at least five (5) business days, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the construction of the Project.

(e) Upon the disqualification of any MBE or WBE general contractor or subcontractor, if the disqualified party misrepresented such status, the Developer shall be obligated to discharge or cause to be discharged the disqualified general contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a

replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 22.3 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

22.4 Pre-Construction Conference and Post-Closing Compliance Requirements. Not less than fourteen (14) days prior to the Closing Date, the Developer and the Developer's general contractor and all major subcontractors shall meet with the Department monitoring staff regarding compliance with all Section 22 requirements. During this pre-construction meeting, the Developer shall present its plan to achieve its obligations under this Section 22, the sufficiency of which the City's monitoring staff shall approve as a precondition to the Closing. During the construction of the Project, the Developer shall submit all documentation required by this Section 22 to the City's monitoring staff, including, without limitation, the following: (a) subcontractor's activity report; (b) contractor's certification concerning labor standards and prevailing wage requirements; (c) contractor letter of understanding; (d) monthly utilization report; (e) authorization for payroll agent; (f) certified payroll; (g) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (h) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 22, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (w) issue a written demand to the Developer to halt construction of the Project, (x) withhold any further payment of any City funds to the Developer or the general contractor, or (y) seek any other remedies against the Developer available at law or in equity.

SECTION 23. REPRESENTATIONS AND WARRANTIES.

23.1 Representations and Warranties of the Developer. To induce the City to execute this Agreement and perform its obligations hereunder, the Developer hereby represents and warrants to the City that as of the date of this Agreement and as of the Closing Date the following shall be true and correct in all respects:

(a) The Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois, with full power and authority to acquire, own and redevelop the Property, and the person signing this Agreement on behalf of the Developer has the authority to do so.

(b) All certifications and statements contained in the Economic Disclosure Statement last submitted to the City by the Developer (and any legal entity holding an interest in the Developer) are true, accurate and complete.

(c) The Developer's execution, delivery and performance of this Agreement and all instruments and agreements contemplated hereby will not, upon the giving of notice or lapse of time, or both, result in a breach or violation of, or constitute a default under, any other agreement to which the Developer, or any party affiliated with the Developer, is a party or by which the Developer or the Property is bound.

(d) To the best of the Developer's knowledge, no action, litigation, investigation or proceeding of any kind is pending or threatened against the Developer, or any party affiliated with the Developer, and the Developer knows of no facts which could give rise to any such action, litigation, investigation or proceeding, which could: (a) affect the ability of the Developer to perform its obligations hereunder; or (b) materially affect the operation or financial condition of the Developer.

(e) To the best of the Developer's knowledge, the Project will not violate: (i) any Laws, including, without limitation, any zoning and building codes and environmental regulations; or (ii) any building permit, restriction of record or other agreement affecting the Property.

23.2 Representations and Warranties of the City. To induce the Developer to execute this Agreement and perform its obligations hereunder, the City hereby represents and warrants to the Developer that the City has authority under its home rule powers to execute and deliver this Agreement and perform the terms and obligations contained herein, and the person signing this Agreement on behalf of the City has the authority to do so.

23.3 Survival of Representations and Warranties. Each party agrees that all of its representations and warranties set forth in this Section 23 or elsewhere in this Agreement are true as of the date of this Agreement and will be true in all material respects at all times thereafter, except with respect to matters which have been disclosed in writing and approved by the other party.

SECTION 24. PROVISIONS NOT MERGED WITH DEED.

The provisions of this Agreement shall not be merged with the Deed, and the delivery of the Deed shall not be deemed to affect or impair the provisions of this Agreement.

SECTION 25. HEADINGS.

The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not in any manner be construed as modifying, amending, or affecting in any way the express terms and provisions thereof.

SECTION 26. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties and supersedes and replaces completely any prior agreements between the parties with respect to the subject matter hereof. This Agreement may not be modified or amended in any manner other than by supplemental written agreement executed by the parties.

SECTION 27. SEVERABILITY.

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

SECTION 28. NOTICES.

Any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) facsimile transmission, provided that there is written confirmation of such communications; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested:

If to the City:	City of Chicago Department of Planning and Development 121 North LaSalle Street Room 1000 - City Hall Chicago, Illinois 60602 Attn: Commissioner Fax: 312-744-5892
With a copy to:	City of Chicago Department of Law 121 North LaSalle Street Room 600 Chicago, Illinois 60602 Attn: Real Estate and Land Use Division Fax: 312-742-0277
If to the Developer:	Hollis of Palos, LLC- Midway Series 12313 S. 91st Ave. Palos Park, Illinois 60464 Attn: Guy Hollis, Manager Fax: _____
With a copy to:	Sosin, Arnold & Schoenbeck, Ltd. 9501 W. 144th Place, Suite 205 Orland Park, IL 60462 Attn: David B. Sosin Fax: 708-448-8140

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means, respectively, provided that such electronic dispatch is confirmed as having occurred prior to 5:00 p.m. on a business day. If such dispatch occurred after 5:00 p.m. on a business day or on a non-business

day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given.

SECTION 29. SUCCESSORS AND ASSIGNS.

Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall apply to and bind the successors and assigns of the parties.

SECTION 30. OTHER ACTS

The parties agree to perform such other acts and to execute, acknowledge and deliver such other instruments, documents and materials as may be reasonably necessary to consummate the transactions contemplated by this Agreement.

SECTION 31. BUSINESS RELATIONSHIPS.

The Developer acknowledges (1) receipt of a copy of Section 2-156-030(b) of the Municipal Code of Chicago, (2) that it has read such provision and understands that pursuant to such Section 2-156-030(b) it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as described in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (3) notwithstanding anything to the contrary contained in this Agreement, that a violation of Section 2-156-030(b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated hereby.

SECTION 32. PATRIOT ACT CERTIFICATION.

The Developer represents and warrants that neither the Developer nor any Affiliate thereof (as defined in the next paragraph) 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.

As used in the above paragraph, an "Affiliate" shall be deemed to be a person or entity related to the Developer that, directly or indirectly, through one or more intermediaries, controls,

is controlled by or is under common control with Developer, 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.

SECTION 33. PROHIBITION ON CERTAIN CONTRIBUTIONS – MAYORAL EXECUTIVE ORDER NO. 2011-4.

Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (1) after execution of this Agreement by Developer, (2) while this Agreement or any Other Contract is executory, (3) during the term of this Agreement or any Other Contract between Developer and the City, or (4) 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 to occur of (1) May 16, 2011, and (2) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (1) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (2) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (3) Bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

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

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

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

For purposes of this provision:

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

"Other Contract" means any other agreement with the City of Chicago to which Developer is a party that is (1) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (2) entered into for the purchase or lease of real or personal property; or (3) 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 of Chicago, as amended.

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

1. they are each other's sole domestic partner, responsible for each other's common welfare; and

2. neither party is married; and

3. the partners are not related by blood closer than would bar marriage in the State of Illinois; and

4. 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

5. two of the following four conditions exist for the partners:

    a. The partners have been residing together for at least three hundred sixty five (365) days
    b. The partners have common or joint ownership of a residence.
    c. The partners have at least two of the following arrangements:

        i. joint ownership of a motor vehicle;
        ii. a joint credit account;
        iii. a joint checking account; and
        iv. a lease for a residence identifying both domestic partners as tenants.

    d. 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 of Chicago, as amended.

SECTION 34. FAILURE TO MAINTAIN ELIGIBILITY TO DO BUSINESS WITH THE CITY.

Failure by Developer or any controlling person (as defined in Section 1-23-010 of the Municipal Code of Chicago) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-030 of the Municipal Code of Chicago shall be grounds for termination of the Agreement and the transactions contemplated thereby. Developer shall at all times comply with Section 2-154-020 of the Municipal Code of Chicago.

SECTION 35. INSPECTOR GENERAL.

It is the duty of every officer, employee, department, agency, contractor, subcontractor, developer and licensee of the City, and every applicant for certification of eligibility for a City contract or program, to cooperate with the City's Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code of Chicago. The Developer understands and will abide by all provisions of Chapter 2-56 of the Municipal Code of Chicago.

SECTION 36. 2014 CITY HIRING PLAN.

36.1 The City is subject to the June 16, 2014 "City of Chicago Hiring Plan" (as amended, the "2014 City Hiring Plan") entered in Shakman v. Democratic Organization of Cook County, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

36.2 The Developer is aware that City policy prohibits City employees from directing any individual to apply for a position with the Developer, either as an employee or as a subcontractor, and from directing the Developer to hire an individual as an employee or as a subcontractor. Accordingly, the Developer must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by the Developer under this Agreement are employees or subcontractors of the Developer, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by the Developer.

36.3 The Developer will not condition, base, or knowingly prejudice or affect any term or aspect to the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or

parties or candidates for elected public office.

36.4 In the event of any communication to the Developer by a City employee or City official in violation of Section 36.2 above, or advocating a violation of subparagraph (iii) above, the Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General (the "OIG"), and also to the head of the relevant City department utilizing services provided under this Agreement. The Developer will also cooperate with any inquiries by the OIG.

SECTION 37. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute a single, integrated instrument.

SECTION 38. DATE OF PERFORMANCE.

If the final date of any time period set forth herein falls on a Saturday, Sunday or legal holiday under the laws of Illinois or the United States of America, then such time period shall be automatically extended to the next business day.

SECTION 39. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to its choice of laws principles.

SECTION 40. ADDITIONAL EMPLOYMENT REQUIREMENTS

A minimum of fifty percent (50%) of the Developer's employees at the restaurant must be residents of the City of Chicago. In addition, the Developer shall use good faith efforts to assure that a minimum of seventy percent (70%) of its employees will be residents of the City of Chicago. These minimum requirements are an on-going obligation of the Developer during the Compliance Period (as defined in Section 13.2 above) and shall be adhered to on an annual basis.

Every year for ten years, beginning in the first year following the date of issuance of the Certificate of Completion, the Developer shall provide detailed written documentation to the City evidencing compliance with the foregoing requirements. Failure to provide such documentation, or failure to adhere to such requirements, shall constitute a default under this Agreement and the City may institute such proceedings at law or in equity as may be necessary or desirable to cure and remedy the default, including, but not limited, proceedings to compel specific performance. The City and the Developer shall, prior to issuance of the Certificate of Completion, agree on a form and process necessary to carry out the requirements and the intent of this provision.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on or as of the date first above written.

CITY OF CHICAGO, an Illinois municipal corporation

By:_____
David Reifman
Commissioner
Department of Planning and Development

HOLLIS OF PALOS, LLC – MIDWAY SERIES, an Illinois limited liability company

By:_____
Guy Hollis
Its Manager

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that David L. Reifman, Commissioner of the Department of Planning and Development of the City of Chicago, an Illinois municipal corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that as said Commissioner, he signed and delivered the instrument pursuant to authority given by the City of Chicago, as his free and voluntary act and as the free and voluntary act and deed of the City, for the uses and purposes therein set forth.

GIVEN under my notarial seal this _____ day of _____, 2017.

_____
NOTARY PUBLIC

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Guy Hollis, personally known to me to be the Manager of Hollis of Palos LLC – Midway Series, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that s/he signed and delivered the foregoing instrument pursuant to authority given by said corporation, as her/his free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this ____ day of _____, 2017.

_____
NOTARY PUBLIC

EXHIBIT A TO REDEVELOPMENT AGREEMENT

LEGAL DESCRIPTION

(Subject to Final Title Commitment and Survey)

PARCEL 1:

LOTS 37 TO 42 (EXCEPT (I) THE WEST 17 FEET OF SAID LOTS TAKEN FOR WIDENING CICERO AVENUE PURSUANT TO SUPERIOR COURT CASE NO. 451833; AND (II) THAT PART OF SAID LOTS LYING WESTERLY OF A STRAIGHT LINE BEGINNING AT A POINT IN THE NORTH LINE OF SAID LOT 42 WHICH IS 24 FEET EASTERLY OF THE ORIGINAL NORTHWEST CORNER OF SAID LOT 42 AND EXTENDING SOUTHEASTERLY TO A POINT IN THE SOUTH LINE OF SAID LOT 37 WHICH IS 31 FEET EASTERLY OF THE ORIGINAL SOUTHWEST CORNER OF SAID LOT 37 AS CONDEMNED BY DEPARTMENT OF PUBLIC WORKS AND BUILDINGS OF THE STATE OF ILLINOIS PURSUANT TO CASE NO. 64L 24336) IN BLOCK 5 IN MARQUETTE RIDGE, BEING A SUBDIVISION OF THE SOUTH ½ OF THE WEST ½ OF THE NORTHWEST ¼ AND THE NORTH ½ OF THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THE EAST 133 FEET THEREOF) IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 30 TO 36 (EXCEPT (I) THE WEST 17 FEET OF SAID LOTS TAKEN FOR WIDENING CICERO AVENUE PURSUANT TO SUPERIOR COURT CASE NO. 451833, AND (II) THAT PART OF SAID LOTS LYING WESTERLY OF A STRAIGHT LINE BEGINNING AT A POINT IN THE NORTH LINE OF LOT 36 WHICH IS 31 FEET EASTERLY OF THE ORIGINAL NORTHWEST CORNER OF LOT 36 AND EXTENDING SOUTHERLY TO A POINT IN THE SOUTH LINE OF LOT 30 WHICH IS 30 FEET EASTERLY OF THE ORIGINAL SOUTHWEST CORNER OF LOT 30 AS CONDEMNED BY DEPARTMENT OF PUBLIC WORKS AND BUILDINGS OF THE STATE OF ILLINOIS PURSUANT TO CASE NO. 64L 11423) IN BLOCK 5 IN MARQUETTE RIDGE, BEING A SUBDIVISION OF THE SOUTH ½ OF THE WEST ½ OF THE NORTHWEST ¼ AND THE NORTH ½ OF THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MEIRDIAN, (EXCEPT THE EAST 133 FEET THEREOF) IN COOK COUNTY, ILLINOIS.

PINs:
19-22-108-007-0000
19-22-108-008-0000
19-22-108-009-0000
19-22-108-010-0000
19-22-108-011-0000
19-22-108-012-0000
19-22-108-013-0000
19-22-108-043-0000

Commonly known as: 6411-13 S. Cicero Avenue, Chicago, Illinois 60464

EXHIBIT B TO REDEVELOPMENT AGREEMENT

WORKING DRAWINGS AND SPECIFICATIONS

(TO BE UPDATED)