



Office of the Chicago City
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City Council Document Tracking Sheet

Meeting Date: 4/18/2012

Sponsor(s): Emanuel, Rahm (Mayor)

Type: Ordinance

Title: Intergovernmental agreement with Public Building
Commission for property improvements at 3518 South
Halsted

Committee(s) Assignment: Committee on Finance



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

April 18, 2012

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing and Economic Development, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with the Public Building Commission for property improvements at 3518 South Halsted.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of local government under the 1970 Constitution of the State of Illinois and has the authority to promote the health, safety and welfare of its inhabitants, to furnish essential governmental services through its various departments and agencies and to enter into contractual agreements with units of local government for the purpose of achieving the aforesaid objectives; and

WHEREAS, on March 18, 1956, the City Council of the City (the "City Council") created the Public Building Commission of Chicago (the "Commission"), an Illinois municipal corporation, pursuant to the Public Building Commission Act of the State of Illinois (the "Act") for the purpose of facilitating the funding, acquiring and constructing of public buildings, improvements and facilities for use by local public agencies in the furnishing of essential governmental services; and

WHEREAS, the Commission is authorized and empowered by the Act to acquire fee simple title to real property, including easements and reversionary interests in streets, alleys and other public places, by purchase or the exercise of eminent domain, for public improvements in an area or areas that have been selected, located and approved by the governing bodies of the City and the Commission; and

WHEREAS, the Commission has heretofore undertaken the acquisition, construction, alteration, repair, renovation, rehabilitation and equipping of buildings and facilities for use by various public bodies including the City, the Board of Education of the City of Chicago, the Chicago Park District, and the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois; and

WHEREAS, the Commission by resolution number 7793 adopted on April 10, 2012, has agreed to undertake the stabilization of the City-owned former Ramova Theater (the "Project") located at 3518 South Halsted Street, Chicago, Illinois (the "Site"); and

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/1-74.4-1 *et seq.*, as amended from time to time (the "TIF Act"), to finance projects that eradicate blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, to induce certain redevelopment pursuant to the TIF Act, in accordance with the provisions of the TIF Act, pursuant to ordinances adopted on January 14, 1997 and published in the Journal of Proceedings for said date at pages 36945 to 37323, the City Council: (1) approved and adopted a redevelopment plan for the 35th/Halsted Redevelopment Project Area ("Redevelopment Plan") (as amended pursuant to an ordinance adopted by the City Council on May 5, 2004 and published in the Journal of Proceedings for said date at pages 22456 to 22468); (2) designated the 35th/Halsted Redevelopment Project Area (the "Redevelopment Area") as a "redevelopment project area" pursuant to the Tax Increment Allocation Redevelopment Act; and (3) adopted tax increment allocation financing for the 35th/Halsted Redevelopment Project Area (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"); and

WHEREAS, the Site lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, under the TIF Act, such incremental ad valorem taxes which pursuant to the TIF Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used, among other purposes, to pay the cost of public works and improvements as well as to acquire and construct public facilities, as contemplated in a redevelopment plan, and obligations relating thereto; and

WHEREAS, the City wishes to make available to the Commission a portion of the Increment from the Redevelopment Area in an estimated amount of \$333,038 for the purpose of providing the funds required for the Project in the Redevelopment Area; and

WHEREAS, the Redevelopment Plan contemplates that tax increment financing assistance would be provided for the rehabilitation of existing public or private buildings, such as the Project, within the boundaries of the Redevelopment Area; and

WHEREAS, the City, acting through the Office of Budget and Management and the Department of Housing and Economic Development ("HED"), intends to participate actively with the Commission in the planning and implementation of the Project including, without limitation, review and approval of design elements and materials and assistance with the preparation and approval of the Project budget and schedule; and

WHEREAS, the City has determined that it is necessary, desirable and in the public interest to enter into an agreement with the Commission in substantially the form attached hereto as Exhibit 1 (the "Agreement") pursuant to the Intergovernmental Cooperation Act of the State of Illinois in order to set forth the City's and the Commission's respective objectives, duties and responsibilities and to describe the procedures and guidelines to be followed with respect to the implementation of the Project; now, therefore,

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

Section 1. The recitals of this ordinance are hereby incorporated into this text as if set out herein in full.

Section 2. The Commissioner of HED (the "HED Commissioner") is hereby authorized to execute, subject to the review of the Corporation Counsel as to form and legality, the Agreement and such other documents as are necessary, between the City and the Commission, which may contain such other terms as are deemed necessary or appropriate by the parties executing the same on the part of the City.

Section 3. The HED Commissioner, the Budget Director and their respective designees, are each authorized to execute such additional documents, information, assurances and certifications and to take such additional actions in connection with the Project as may be necessary or required pursuant to the Agreement as contemplated therein.

In particular, but not by way of limitation, the foregoing City officials are each authorized to execute an amendment or amendments to the Agreement in the event that any additional grant or grants for the Project are in future received by the City and appropriated by the City Council for such purpose.

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

Section 5. This ordinance shall take effect upon its passage and approval.

EXHIBIT 1

INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF CHICAGO AND THE PUBLIC BUILDING COMMISSION OF CHICAGO
(RAMOVA THEATER)

This Intergovernmental Agreement (the "Agreement"), dated as of _____, 2012 is made by and between the City of Chicago, an Illinois municipal corporation, having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 (the "City"), and the Public Building Commission of Chicago, an Illinois municipal corporation, having its offices at the Richard J. Daley Center, Room 200, Chicago, Illinois 60602 (the "Commission").

RECITALS

A. The City is a home rule unit of local government under the 1970 Constitution of the State of Illinois and has the authority to promote the health, safety and welfare of its inhabitants, to furnish essential governmental services through its various departments and agencies and to enter into contractual agreements with units of local government for the purpose of achieving the aforesaid objectives.

B. On March 18, 1956, the City Council of the City (the "City Council") created the Commission pursuant to the Public Building Commission Act of the State of Illinois (the "Act") for the purpose of facilitating the funding, acquiring and constructing of public buildings, improvements and facilities for use by local public agencies in the furnishing of essential governmental services.

C. The Commission is authorized and empowered by the Act to acquire fee simple title to real property, including easements and reversionary interests in streets, alleys and other public places, by purchase or the exercise of eminent domain, for public improvements in an area or areas that have been selected, located and approved by the governing bodies of the City and the Commission.

D. The Commission has heretofore undertaken the acquisition, construction, alteration, repair, renovation, rehabilitation and equipping of buildings and facilities for use by various public bodies including the City, the Board of Education of the City of Chicago, the Chicago Park District, and the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois.

E. The Commission by resolution number 7793 adopted on April 10, 2012, has agreed to undertake the stabilization of the City-owned former Ramova Theater (the "Project") located at 3518 South Halsted Street, Chicago, Illinois (the "Site").

F. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/1-74.4-1 *et seq.*, as amended from time to time (the "TIF Act"), to finance projects that eradicate blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects.

G. To induce certain redevelopment pursuant to the TIF Act, in accordance with the provisions of the TIF Act, pursuant to ordinances adopted on January 14, 1997 and published in the Journal of Proceedings for said date at pages 36945 to 37323, the City Council: (1) approved and adopted a redevelopment plan for the 35th/Halsted Redevelopment Project Area ("Redevelopment Plan") (as amended pursuant to an ordinance adopted by the City Council on May 5, 2004 and published in the Journal of Proceedings for said date at pages 22456 to 22468); (2) designated the 35th/Halsted Redevelopment Project Area as a "redevelopment project area" pursuant to the Tax Increment Allocation Redevelopment Act; and (3) adopted tax increment allocation financing for the 35th/Halsted Redevelopment Project Area (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances").

H. The Site lies wholly within the boundaries of the Redevelopment Area.

I. Under the TIF Act, such incremental ad valorem taxes which pursuant to the TIF Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used, among other purposes, to pay the

cost of public works and improvements as well as to acquire and construct public facilities, as contemplated in a redevelopment plan, and obligations relating thereto.

J. The City wishes to make available to the Commission a portion of the Increment from the Redevelopment Area in an estimated amount of \$333,038 for the purpose of providing the funds required for the Project in the Redevelopment Area to the extent and in the manner provided in this Agreement.

K. The Redevelopment Plan contemplates that tax increment financing assistance would be provided for the rehabilitation of existing public or private buildings, such as the Project, within the boundaries of the Redevelopment Area.

L. The City, acting through the Office of Budget and Management and the Department of Housing and Economic Development ("HED"), intends to participate actively with the Commission in the planning and implementation of the Project including, without limitation, the development of the Building Program (as hereinafter defined), review and approval of design elements and materials and assistance with the preparation and approval of the Budget and the Schedule (as hereinafter defined).

M. The parties have determined that it is necessary, desirable and in the public interest to enter into this Agreement pursuant to the Intergovernmental Cooperation Act of the State of Illinois in order to set forth their respective objectives, duties and responsibilities and to describe the procedures and guidelines to be followed with respect to the implementation of the Project.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereby agree as follows:

DEFINITIONS

For purposes of this Agreement, each of the following terms shall have the respective meaning assigned to it as follows:

Act: The Public Building Commission Act of the State of Illinois, 50 ILCS 20/1 *et seq.* (1994), as amended from time to time.

Architect of Record: The firm or entity employed by the Commission or its designee for the purpose of designing and observing the Work for compliance with the Contract Documents.

Authorized Commission Representative: The person or entity employed or retained by the Commission to provide planning, land acquisition, development, construction management, administration and/or coordination services for the Project.

Authorized HED Representative: The Commissioner of HED, including the duly designated representative thereof, who is designated as HED's representative in the planning and implementation of the Project.

Board: The Board of Commissioners of the Public Building Commission of Chicago.

Budget: The budget for the design, acquisition and construction of the Project as set forth on Exhibit B attached hereto. For purposes of this Agreement, the term "Budget" includes, as the case may be, preliminary budget(s) established by the City and final budget(s) as determined by the Budget Director, the Authorized HED Representative and the Commission as a result of the review process more fully described in Section 2.2 hereof.

Budget Director: The Budget Director of the City, including the duly designated representative thereof, who is designated by the City to receive notices pursuant to this Agreement and otherwise act as the City's representative in implementing the financial requirements of this Agreement.

Building Program: The requirements specified by HED with respect to the Project including, but not limited to the nature, scope and extent of the Project and facilities and the size, type, function, spatial relationships, and materials to be used in the design and construction of the Project.

Certificate of Final Acceptance: The certificate, substantially in the form attached hereto as Exhibit C2, which shall be delivered by the Commission to HED to certify that a Certificate of

Final Completion has been issued by the Architect of Record for the Project, that the Commission has verified that all punch list work has been completed, and that all deliverables, including but not limited to the items as provided in Section 10.6, have been transmitted to HED along with final occupancy certifications issued by the authority having jurisdiction.

Certificate of Occupancy: The certificate issued by the authority having jurisdiction to certify that the Project has been sufficiently completed to be occupied and used for its intended purpose.

Certificate of Substantial Completion: The certificate issued by the Architect of Record to certify that the Project has been essentially completed except for Punch List Work, the City is able to occupy and use the Project for the purpose intended, and the Contractor has obtained and delivered to the Commission a "Certificate of Occupancy" issued by the authority that has jurisdiction.

City: The City of Chicago, an Illinois municipal corporation.

City Council: The City Council of the City.

Commission: The Public Building Commission of Chicago, an Illinois municipal corporation.

Contract: A contract, including all of the Contract Documents as described therein, between the Commission and a Contractor to perform services and/or provide labor, materials, equipment and other Work and facilities required for the completion of the Project. For purposes of this Agreement, the term "Contract" may include a professional services agreement, general construction contract, construction management contract or other form of agreement for Project-related activities.

Contract Documents: The drawings, specifications and program requirements (including, without limitation, civil, architectural, structural, mechanical, plumbing, fire protection and electrical drawings and technical specifications) developed by the Architect of Record for the construction of the Project as approved by the Authorized Commission Representative and the

Authorized HED Representative for compliance with the approved Building Program and all other documents attached to the Contract and/or incorporated by reference into the Contract.

Contractor: An individual or firm that contracts with the Commission to perform services and/or provide Work in connection with the Project in accordance with the Standard of Performance as provided in this Agreement. For purposes of this Agreement, the term "Contractor" may include a general or specialty contractor, subcontractor, design entity, construction manager, environmental consultant or other consultants engaged by the Commission to implement the Project.

Corporation Counsel: The Corporation Counsel, including the duly designated representative thereof, of the City.

Executive Director: The Executive Director, including the duly designated representative thereof, of the Commission.

Final Completion: The last date on which all of the following events have occurred: the Commission in consultation with the Authorized HED Representative, has determined that all Punch List Work and any other remaining Work have been completed in accordance with the Contract Documents; final inspections have been completed and operating systems and equipment testing have been completed; final occupancy certifications have been issued; all deliverables as provided in Section 10.6 hereof including, but not limited to, all warranties, operations/maintenance manuals, and as-built drawings, have been provided to the Commission and forwarded to HED; any LEED Commissioning responsibilities required by the Contract Documents have been completed; and all contractual requirements for final payment to the Contractor have been completed.

HED: The Department of Housing and Economic Development of the City.

IEPA: The Illinois Environmental Protection Agency.

Municipal Code: The Municipal Code of Chicago.

Notice of Substantial Completion: The certificate, substantially in the form attached hereto as Exhibit C1, which shall be delivered by the Commission to the Authorized HED Representative along with a Certificate of Substantial Completion issued by the Architect of Record, a copy of the Punch List and a Certificate of Occupancy issued by the authority having jurisdiction.

Project: As defined in the Recitals.

Project Account: An existing interest-bearing account of the Commission that will be used for purposes of depositing funds advanced by the City to pay the costs incurred by the Commission in implementing the Project as more fully described in Section 9.3 hereof.

Punch List or Punch List Work: Minor adjustments or repairs in the Work as determined by the Architect of Record that must be completed prior to Final Completion and Acceptance of the Work and the issuance of the Certificate of Final Completion. The Authorized Commission Representative and the Authorized HED Representative shall have the right of consult with the Architect of Record concerning the preparation and completion of the Punch List.

Schedule: The anticipated date or dates on which the Project or portions thereof shall be completed.

Site: The real estate parcel or area upon which the Project will be constructed.

Site Work: Any remediation of adverse environmental site conditions, demolition or other site development work in connection with the Project that may be undertaken by the Commission.

Standard of Performance. In addition to performing the Work in full compliance with the Contract Documents, the Contractor must perform, or cause to be performed, all Work required of it under the terms and conditions of the Contract with the degree of skill, care and diligence normally exercised by qualified and experienced contractors in performing work in a project of a scope and magnitude comparable to the Work.

Substantial Completion: The date on which the Architect of Record has issued a Certificate of Substantial Completion to certify that the Project has been essentially completed in accordance with the Contract Documents except for Punch List Work that will not preclude the beneficial use and occupancy of the Project for the purpose intended, and when the Contractor has obtained and delivered to the Authorized Commission Representative a Certificate of Occupancy issued by the authority that has jurisdiction.

Work: Work means the obligations of the Contractor under the Contract Documents. Work includes, unless specifically excluded by the Contract Documents, the furnishing of all materials, labor, equipment, supplies, plant, tools, scaffolding, transportation, superintendence, permits, inspections, occupancy approvals, insurance, taxes and all other services, facilities and expenses necessary for the full performance and completion of the requirements of the Contract Documents. Work also means that which is furnished, produced, constructed, or built pursuant to the Contract Documents.

SECTION I INCORPORATION OF RECITALS AND DEFINITIONS

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

SECTION II SCOPE OF PROJECT

2.1. **Project.** The Commission will coordinate and manage the planning, design and construction of the Project on behalf of the City. The Project will be undertaken by the Commission pursuant to the terms of this Agreement, the Act, the Contract Documents, the Municipal Code and all other applicable rules, regulations, statutes and ordinances.

2.2 **Review of Project.** The parties by their designated representatives will review the proposed design, scope of the Work, the preliminary Budget, land acquisition requirements, remediation of environmental conditions, site preparation work, zoning and any other factors

that may affect the coordination or cost of the Project or the Schedule. Upon completion of such review procedures, the parties shall approve in writing the Building Program, the final Budget and the Schedule for such Project. Following such approval, the Commission shall proceed with the implementation of the Project in accordance with the terms of this Agreement.

SECTION III RESPONSIBILITIES OF THE PARTIES

3.1 The Commission. In discharging its obligations to construct the Project on behalf of the City, the Commission will perform construction administration and management services. Specific responsibilities of the Commission with respect to the implementation of the Building Program include, but are not limited to, the following:

3.1.1 [intentionally omitted];

3.1.2 [intentionally omitted];

3.1.3 [intentionally omitted];

3.1.4 [intentionally omitted];

3.1.5 [intentionally omitted];

3.1.6 Engage or cause to be engaged the services of such environmental consultants as may be necessary in order to prepare bid and construction documents, monitor the Site Work and perform other services as directed by the Commission;

3.1.7 [intentionally omitted];

3.1.8 [intentionally omitted];

3.1.9 Prepare or cause to be prepared the terms and conditions of the Contract, which shall be forwarded by the Commission to the Authorized HED Representative for review and comment prior to the solicitation of bids and/or proposals for the Work upon request;

3.1.10 Solicit or cause to be solicited bids and/or proposals for the Contract and any other Work as may be required for the design and construction of the Project;

3.1.11 Engage the services of such architectural, engineering and other design and/or construction consultants as may be necessary for the completion of the Project, incorporating into the Contract with any such design entity the copyright provisions set forth on Exhibit D attached hereto and incorporated herein by reference. The Commission shall assign to the City any and all such copyrights which have been conveyed to the Commission;

3.1.12 Examine all documents submitted by the City, HED, or a Contractor and render decisions pertaining thereto with reasonable promptness in order to avoid delay in the completion of the Project;

3.1.13 Obtain such surveys, title information, environmental tests and other reports and documents as may be necessary or advisable in order to determine the condition of the Site and factors that may affect the cost of completion of the Project or the Schedule, and obtain approval of the environmental remediation plan, if required, from IEPA.

3.1.14 Determine the types and amounts of insurance and payment and performance bonds to be provided by the Contractor and the sufficiency of evidence that such coverages are in force as more fully described in Section 7.3 and Section 8.2 hereof;

3.1.15 Require and procure from the Contractor waivers for all liens or rights of lien for labor and materials furnished by or through it in the construction of the Project prior to processing interim and final pay requests as more fully described in Section 7.4 hereof;

3.1.16 Require, by appropriate provision in the Contract, that the Contractor indemnify, save and hold harmless the City and the Commission as more fully described in Section 8.1 hereof;

3.1.17 In consultation with the Budget Director, approve any and all changes to the Contract including increases or decreases in the scope of the Work of the Contractor and adjustments in the contract price occasioned thereby which do not result in an increase in the overall Budget for the Project;

3.1.18 Apply the funds deposited in the Project Account or otherwise paid by the City solely to obtain the full and faithful completion of the Project in accordance with the Budget unless otherwise authorized by the Budget Director;

3.1.19 Enforce the terms and conditions of the Contract and all other agreements pertaining to the Project, consistent with the requirements thereof;

3.1.20 Avail itself of the rights and remedies in the Contract and all other agreements pertaining to the Project, it being understood and agreed that the Work is under charge and care of the Commission to protect the best interests of the City; and

3.1.21 Provide for such additional services as may be requested in writing by the Budget Director or the Authorized HED Representative with respect to the Project provided that sufficient funds are available to pay the costs of such services.

3.1.22 Enforce the Standard of Performance in all Work.

3.1.23 Incorporate into each Contract the following representation and warranty:

"Neither the Contractor nor any affiliate of the Contractor is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph only, the term 'affiliate,' when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise."

3.2 The City. The Budget Director, in consultation with the Authorized Commission Representative, shall determine the nature and scope of the Project. The City shall pay all costs of implementing the Project as set forth in the Budget for the Project. In no event shall the Commission be obligated to pay, nor shall the Commission disburse any funds from the Project Account that exceeds the overall Budget for the Project without the written approval of the Budget Director. The Commission may re-allocate funds among line items within the Budget which do not increase the overall Budget for the Project as more fully described in Section 9 hereof. Specific responsibilities of the City include, but are not limited to, the following:

3.2.1 Provide information to the Commission regarding the requirements of the Building Program, including the design objectives, constraints and criteria, space requirements and relationships, and Site requirements, with reasonable promptness in order to avoid delay in the progress of such Project;

3.2.2 Provide a preliminary Budget for the Project which shall include, without limitation, contingencies for bidding, changes during construction and other costs which are the responsibility of the City and, in consultation with the Authorized Commission Representative, determine the final Budget for each Project;

3.2.3 Designate the Authorized HED Representative to act on the City's behalf with respect to the Project for the purpose of attending meetings, examining documents and rendering timely decisions pertaining to the design and construction of a Project;

3.2.4 In consultation with the Authorized Commission Representative, the Budget Director, and the Authorized HED Representative shall review and approve in writing all change orders that cause the cost of the Project to exceed the overall Budget for this Project;

3.2.5 Pay all costs incurred by the Commission in connection with the implementation of the Project as provided in the Budget;

3.2.6 Cooperate with the Commission and its designated representatives in obtaining any and all approvals pertaining to the use of the Site, and execute any applications for permit or the like as may be required in order to develop and construct the Project that will be constructed on property owned by the City;

3.2.7 [intentionally omitted]; and

3.2.8 Provide such additional assistance as shall be agreed by the parties.

SECTION IV SITE AVAILABILITY AND ACCESS

4.1 [intentionally omitted]

4.2 [intentionally omitted]

4.3 Right of Entry. It is expressly acknowledged and agreed that the Commission and the City and their respective employees, consultants and the Contractor shall have the right to enter upon the Site or portion thereof owned by the Commission or the City for purposes associated with the development and implementation of the Project and other related facilities and the completion of the Project without further authorization by the Commission or the City. Any Contractor that may enter upon the Site for such purposes at the direction of the Commission or the City, as applicable, will be required to indemnify the Commission or the City, as applicable, and their respective commissioners, officials, employees, agents and representatives from and against all claims arising out of such entry and to provide to the Commission and HED, upon request, certificates of insurance evidencing the types and limits of insurance as specified on Exhibit E. The Commission and the City shall be named as additional insured on all such insurance policies. The City shall cooperate with the Commission and its designated representatives in obtaining any and all approvals pertaining to the use of the Site, and execute any applications for permit or the like as may be required in order to develop and construct any such Project.

4.4 Unpermitted Encumbrances. Neither the Commission nor the Contractor nor any of their respective commissioners, officials, representatives, designees, agents, successors or

assignees shall engage in any financing or other transaction the effect of which creates an encumbrance or lien upon the Site.

4.5 Relocation Assistance. In the event that any persons or businesses are displaced as a result of the construction of the Project, such persons or businesses shall receive relocation assistance based upon the relocation procedures and practices of the Commission or the City as modified from time to time.

SECTION V ENVIRONMENTAL CONDITIONS

5.1 Reports and Studies. It shall be the responsibility of the Commission, at the sole cost and expense of the City, to investigate and determine the soil and environmental condition of the Site, including obtaining a Phase I environmental audit and, if applicable, a Phase II environmental audit of the Site. A copy of any such reports that may have been obtained by the Commission regarding the environmental condition of the Site or the geology thereof shall be provided to the City after such report becomes available to the Commission. Neither the City nor the Commission makes any covenant, representation or warranty as to the environmental condition of the Site or the suitability of the Site for the Project.

5.2 Environmental Remediation. In the event that adverse environmental conditions of the Site are discovered as a result of the investigation of the soil and environmental conditions that preclude the use of the Site for its intended purpose, the Commission will undertake or cause to be undertaken the remediation of such adverse environmental condition with funds allocated in the Budget for such purpose. All environmental costs and expenses that exceed the amount allocated in the Budget for such purpose shall be subject to the prior written approval of the Budget Director. The nature and extent of such remediation will be determined by the Commission in consultation with representatives of HED and IEPA, if applicable. In no event shall the Commission incur any cost or expense as a result of the condition of the Site or the remediation of environmental conditions thereon in excess of the amount provided by the City. If the cost of the environmental remediation action exceeds the budgeted amount

approved by the City, the Commission shall promptly notify the Budget Director and the parties shall mutually agree upon appropriate action to be taken.

5.3 Environmental Laws. The Commission agrees that at all times during its performance of this Agreement, it shall cause the Contractor to comply, with all "Environmental Laws." "Environmental Laws" mean any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560. Upon the City's request, the Commission and/or the Contractor will provide evidence satisfactory to the City of such current compliance.

SECTION VI CONSTRUCTION OF THE PROJECT

6.1 Preparation of Contract Documents. The Commission shall determine whether to appoint an Architect of Record as defined above or other design entity, to prepare design documents, issue a request for proposals that includes the preparation of the design documents, or proceed in some other manner to obtain design documents that are sufficiently complete to solicit bids or proposals for the construction of the Project. The Commission shall provide a copy of such design submittals as may be requested by the Authorized HED Representative for review and timely approval to determine compliance with the Building Program.

6.2 Selection of Contractor. Upon completion of the Contract Documents, the Commission shall solicit bids or proposals for the construction of the Project or portion thereof by public advertisement, or from pre-qualified contractors in consultation with the Authorized HED Representative, as determined by the Commission in accordance with its usual and customary procurement procedures. The Commission shall review and evaluate the bids or proposals received for the construction of the Project and conduct such investigations as may be necessary and appropriate to determine the responsiveness of the bid or proposal and the proposed cost of constructing the Project in accordance with the Budget. During the bid review period, the Authorized HED Representative and the Budget Director shall have the right to attend meetings and participate in the evaluation process. Following the bid review process, the Board upon recommendation of the Executive Director shall award the Contract to the lowest responsible and responsive bidder.

6.3 Limited Applicability of Approval. Any approvals of the design of the Project, Site Work or the Contract Documents made by the Authorized HED Representative for purposes of this Agreement only and do not affect or constitute approvals required for building permits or approvals required pursuant to federal, state or local law, code or any ordinance or order of the City, nor shall any such approval constitute approval of the quality, structural soundness or the

safety of the Project. It is understood and agreed that the Commission shall act on behalf of the City in ensuring the Contractor's compliance with all applicable laws and requirements.

6.4 Ownership of Documents. All documents, including but not limited to, all data, certificates, schematics, warranties, environmental remediation documents, prototype and other design documents, copyrights and Contract Documents with regard to the development and construction of the Project shall be the property of the City. The Commission shall assign and transfer ownership of all such documents and materials that it may have obtained from the Contractor or others to HED on behalf of the City at Final Completion of the Project or conveyance of fee simple title to the Site.

SECTION VII ADMINISTRATION OF THE PROJECT

7.1 Enforcement of Contract. The Commission shall comply, and cause the Contractor to comply, with the terms and conditions of the Contract as appropriate and applicable, including all applicable federal, state and local laws, codes, ordinances and orders now or hereafter in force. Such requirements include, but are not limited to, accessibility standards for persons with disabilities or environmentally limited persons, Illinois Prevailing Wage Act, the Chicago Human Rights Ordinance, EEO and affirmative action requirements, the Commission's Special Conditions regarding MBE and WBE participation, Chicago residency requirements and community hiring requirements, which are incorporated herein by reference.

7.2 Coordination with the City. The Commission shall inform the Authorized HED Representative and the Budget Director of the status of progress regarding acquisition of the Site and the implementation of the Project not less frequently than on a monthly basis and, upon request, provide the Authorized HED Representative and the Budget Director with a copy of any reports or other documents that may have been obtained by the Commission. As soon as reasonably practicable, the Commission shall provide the Budget Director with any information which may result in an increase in the amount required to complete the Site Work, construction of the Project or cause the acquisition of the Site or the construction of the Project to be

delayed. The Authorized HED Representative shall have the right to inspect the Project at all reasonable times and to attend meetings with representatives of the Commission, the Contractor and others regarding the Project. In order to protect the City and the Commission from incurring additional costs as a result of unauthorized work, any requests or directions that the Authorized HED Representative may have with respect to the construction of the Project shall be directed to the Authorized Commission Representative and not to the Contractor. The Authorized HED Representative will provide to the Commission prompt, accurate and complete information regarding the requirements of HED so that the progress of the Project will not be impeded. All data provided by HED shall be evaluated by the Authorized Commission Representative, who shall have the right to recommend alternative approaches and value engineering in order to reduce costs while maintaining the overall quality of the Project and the Schedule.

7.3 Payment and Performance Bond. The Commission, as set forth in Section 3.1.14, shall determine the type and amount of payment and performance bonds required for the Project and require the Contractor to provide a payment and performance bond to ensure that the terms and conditions of the Contract Documents will be faithfully performed. The payment and performance bond shall be in the amount specified in the Contract and issued by a surety company licensed to do business in the State of Illinois and approved by the Commission. If the surety fails or is deemed by the Commission to be insufficient security for the completion of the Project, the Commission will require the Contractor to furnish an additional bond in such amount as may be determined by the Commission. Any proceeds derived by the Commission as a result of the payment and performance bond shall be credited to the Project Account and applied as agreed by the Commission and the Budget Director.

7.4 Waiver and Release of Liens. The Commission, as set forth in Section 3.1.15 shall require and procure from the Contractor waivers of liens or rights of lien for all labor and materials furnished in the constructing or improving the Project. This provision shall be

construed as being solely for the benefit of the Commission and the City and shall not confer any rights hereunder for the benefit of the Contractor or its subcontractors. To ensure payment of lien claims, the Commission shall retain the amounts of the liens claimed by subcontractors or suppliers from payments to the Contractor unless an appropriate waiver or mechanic's lien bond is provided or the liened funds are deposited with the Circuit Court of Cook County, Illinois in accordance with applicable Illinois legal requirements and the Contract Documents. Except as provided above, the Commission shall not make final payment to Contractor nor shall any part of the amounts retained for lien claims be paid until the Contractor shall have delivered to the Commission a complete release of all liens, financial obligations or claims from the Contractor, subcontractor, and other agents acting on its behalf in connection with the Work or arising out of the Work and an affidavit that so far as the Contractor has knowledge or information, releases all the labor and material for which a claim could be made or a lien could be filed. If any lien remains unsatisfied after all payments have been made, then the Contractor shall be required to refund to the Commission all moneys that the latter may be compelled to pay in discharging such lien, including all costs and reasonable attorney's fees. Any amounts so refunded shall be for the benefit of the City and credited to the Project Account.

7.5 Default by Contractor. In the event that the Contractor defaults in its obligations under the Contract, the Commission shall pursue all rights and remedies afforded to it pursuant to the terms of the Contract, at law or in equity. Upon request by the Budget Director or the Corporation Counsel and approval by the Board, the Commission shall assign any of its rights and remedies for default by the Contractor to the City.

SECTION VIII INDEMNITY AND INSURANCE

8.1 Indemnity. Each Contract awarded by the Commission for the Project shall require the Contractor to indemnify, save and hold harmless the Commission and the City, and their respective commissioners, officers, agents, employees and representatives, individually and collectively, from all claims, demands, actions and the like, made or instituted by third

parties arising or alleged to arise out of the Work as a result of any act or omission of the Contractor or any of its subcontractors or any of their respective employees or agents.

8.2 Insurance. The Commission, as set forth in Section 3.1.14, shall require the Contractor to purchase and maintain during the implementation of the Site Work and/or the performance of the Work, the types and amounts of insurance as shall be specified by the Commission substantially in the form attached hereto as Exhibit E. Prior to the commencement of Work on the Project, the Commission shall obtain from the Contractor certificates of insurance evidencing the required insurance and certifying the name and address of the Contractor, the description of work or services covered by such policies, the inception and expiration dates of the policies and the specific coverages to be provided. The City and the Commission shall be included as named insureds as their respective interests may appear on the Contractor's insurance policies. A copy of any and all such insurance certificates shall be provided by the Commission to the Authorized HED Representative upon request. All such insurance shall be placed in financially responsible companies, satisfactory to the Commission and authorized under the insurance laws of the State of Illinois to do business in the State of Illinois. Upon issuance of the Notice of Substantial Completion as described in Section 10.4 hereof, the City shall be responsible for insuring the Site including all improvements thereon.

SECTION IX PAYMENT OF PROJECT COSTS

9.1 Cost of the Project. It is the intent of the parties that the cost of completing the Project shall not exceed the sums specified in the final Budget for the Project. All plans, specifications and estimates of costs shall be reviewed by the duly designated representatives of the parties. The fee for the Commission's services for the management and administration of the Project will be included within the Budget and shall not exceed three percent (3%) of the construction cost of the Project and will be billed to the City on a pro rata basis commensurate with the Schedule for construction of the Project. In addition, the City agrees (after approving the Commission's choice of counsel) to pay or reimburse the Commission for all reasonable

legal fees, costs and expenses incurred by the Commission in undertaking the Project as follows:

9.1.1 Land Acquisition. The Project Budget will include the estimated costs of acquiring any land that may be necessary in order to construct the Project and will be paid by the City in accordance with the provisions of Section 9.3 of this Agreement.

9.1.2 Third-Party Negligence. Claims or proceedings against the Commission or the Contractor that arise out of a claim or proceeding that is instituted by third parties as a result of any negligent or willful act of the Contractor or any of its subcontractors or subconsultants shall be tendered to the Contractor for defense of the Commission and the City pursuant to Section VIII, Indemnity and Insurance, of this Agreement.

9.1.3 Construction Litigation. The Commission will use its best efforts to enforce the provisions of the Contract so that the Project is completed in a cost efficient, timely manner. The Commission will defend or prosecute, as applicable, rights and remedies afforded by the Contract in a reasonable, prudent manner. Unless the City consents otherwise, the Commission shall pursue and exhaust, and shall pursuant to the Contract require the Contractor to pursue and exhaust any alternative dispute resolution opportunities provided for under the Contract before litigating any dispute in connection with the Project. To the extent that payment of the Commission's legal costs and expenses are not recovered from the Contractor or any surety, the City agrees to pay or reimburse the Commission for costs incurred for legal costs and expenses subject to the following conditions:

9.1.3.1 The Commission will not initiate any legal proceeding related to the Project and no settlement shall be made without the prior written consent of the Budget Director and the Corporation Counsel;

9.1.3.2 The City shall have the right to approve (such approval not to be unreasonably withheld) counsel selected by the Commission;

9.1.3.3 The Commission will notify the Budget Director and the Corporation Counsel of any proceeding related to the Project within ten (10) days following receipt of summons and complaint or as otherwise directed by the Budget Director or the Corporation Counsel;

9.1.3.4 The Commission will apprise the Budget Director and the Corporation Counsel on a quarterly basis or otherwise as agreed by the parties concerning the status of any legal proceeding related to the Project;

9.1.3.5 The Commission, the Budget Director and the Corporation Counsel shall establish a separate legal budget as soon as practicable after the commencement of any legal proceeding related to a Project;

9.1.3.6 The Commission will provide a monthly legal services report summary related to the Project to the Budget Director and the Corporation Counsel;

9.1.3.7 any legal fees, costs or expenses incurred must comply with the City's Outside Counsel Guidelines ("Guidelines") and for payment purposes must be submitted after notification to Patrick Ryan, the Corporation Counsel's Director of Administration, online to the City's legal auditor, Examen, for review and recommendation to the Commission of the invoice amounts to be paid; the Commission shall review the charges not in compliance with the Guidelines, as determined by the Examen, and process the invoices for payment; and

9.1.3.8 Notwithstanding the foregoing, in the event that the Commission is judged by a court of competent jurisdiction to have been negligent or to have committed other acts of misconduct involving a claim or other legal proceeding the parties will equitably adjust the reimbursement of legal fees and costs as appropriate.

9.1.4 Application of Funds. Any funds that may be recovered by the Commission as a result of any such legal proceedings shall be deposited in the Project Account and disbursed as directed by the Executive Director and the Budget Director.

9.1.5 Disclaimer. It is expressly understood and agreed that the City will not reimburse the Commission for any legal fees on account of findings against the Commission for breach of contract and/or breach of this Agreement.

9.2 [intentionally omitted]

9.3 Payment of Project Costs. The Commission shall provide the City with a cash flow for the Project upon request. The Commission shall prepare and provide to the Budget Director, on a quarterly basis in advance, the estimated amounts that will be required to pay the cost of the Project during the next succeeding ninety (90) days. Requests for payment shall include professional services, land acquisition, construction, administrative costs, contingency reserves and such other items as shall have been agreed by the parties ("Request for Payments"). Within thirty (30) days following receipt of a quarterly estimate and Request for Payment, the Budget Director shall process the Request for Payment and remit payment to the Commission, which payment shall consist of the estimated amounts required for payment of the costs of the Project during the next succeeding ninety (90) day period as such amounts may be adjusted from time to time by mutual agreement of the parties. The Commission will deposit such funds in the Project Account to pay eligible costs of the Project in accordance with the procedures specified in the Contract Documents for interim and final payments. Payments for professional services and other costs of the Project shall be on the basis of invoices approved by the Commission pursuant to its usual and customary payment procedures. In the event that such Request for Payment has not been paid to the Commission within thirty (30) days following the receipt of such Request for Payment, the Commission shall have the right to suspend its performance of this Agreement until payment is received.

9.4 Reallocation of Funds; Insufficient or Excess Funds. The Commission may re-allocate any line item in the Budget of the Project to any other cost or activity of the Project so long as the overall Budget for the Project is not exceeded. In the event that the amounts paid to the Commission by the City for the Project pursuant to the Budget shall be insufficient to complete Acquisition Activities, Site Work and/or the construction of the Project, the Commission shall notify the Budget Director in writing and the parties shall agree in writing on any future action that may be appropriate. In no event shall the Commission be obligated to expend any funds for the Project in excess of the amounts provided by the City. Any balance remaining in the Project Account upon completion of the Project shall be disbursed by the Budget Director.

9.5 Records; Audit. The Commission shall maintain records and accounts of all financial transactions relating to the implementation of the Project. The City shall have the right to inspect the books and records of the Commission pertaining to the Project at all reasonable times.

SECTION X COMPLETION OF THE PROJECT

10.1 Standards for Site Work and Construction. The Commission shall require the Contractor to provide for the Project materials that are new and Work of good quality, free from faults or defects, and implement any Site Work that may be required consistent with the requirements for environmental remediation approved by the Commission in consultation with representatives of HED and the IEPA, and construct the Project in conformity with the Standard of Performance set forth in this Agreement and the requirements of the Contract and the Contract Documents. The Commission shall also require that the Contractor correct any deficient or defective work or materials in accordance with the procedures described in the Contract Documents or as prescribed by law. For a period of one (1) year commencing no earlier than the date of Substantial Completion, or such longer period as may be required to enforce any applicable special warranty in any of the various subcontracts to the Contract, by

the manufacturer or by law ("Contractor's Warranty"), the Commission shall assist the City in causing the Contractor to correct, repair or replace any such deficient or defective work or materials and any damage caused by such work and materials. Any equipment or material that is repaired or replaced will have the warranty period extended for a minimum period of one year from the date of the last repair or replacement if standard in the industry and consistent with the applicable warranty. Repairs or replacements that the Contractor makes under this provision must also include a manufacturer's warranty, if standard with the manufacturer, in addition to the Contractor's Warranty. In the event that the City requires the Commission's assistance to enforce the provisions of the Contract or the manufacturer's warranty, the Commission will cooperate with the City to enforce such Contract and cause the Contractor to correct any such deficient or defective Work or materials and any damage caused by such Work or materials.

10.2 Completion Requirements. The Commission shall require the Contractor to comply with the requirements of the Contract Documents with respect to the close-out of the Site Work and construction of the Project including, but not limited to, the completion of Punch List Work, the furnishing of material and equipment guarantees, warranties, operating and maintenance data, manuals and record and "as-built" drawings, shop drawings, waivers of lien, certified payrolls and such other documents as may be required to comply with the terms of the Contract. Upon Final Completion, the Commission will cause five (5) copies of the Certificate of Final Completion issued by the Architect of Record and all other relevant documents to be delivered to HED. Any liquidated damages that may be assessed by the Commission against a Contractor for non-performance or delay will be credited to the Project Account or otherwise disbursed as agreed by the Budget Director.

10.3 Inspections. All Work and materials constituting the Project shall be inspected by the Authorized Commission Representative, the Architect of Record, the Authorized HED Representative and any other personnel as designated by the City. The Commission shall notify the Authorized HED Representative when the Project has been scheduled for inspections to

certify Substantial Completion and Final Completion. The Authorized HED Representative shall have the right to attend any and all such inspections. The Commission will monitor completion of Punch List Work by the Contractor and update the Authorized HED Representative on a periodic basis.

10.4 Notice of Substantial Completion. Upon issuance of the Certificate of Substantial Completion by the Architect of Record, the Commission shall deliver to the Authorized HED Representative a copy of such certificate and the Certificate of Occupancy issued by the authority having jurisdiction. Upon delivery to the Authorized HED Representative of such certificates along with the Notice substantially in the form attached hereto as Exhibit C1, the Project will be deemed substantially complete according to the Contract Documents except for Punch List Work.

10.5 Transfer of Responsibility. Within five (5) business days following receipt by HED of the documents as provided in Section 10.4 above, the City shall assume responsibility for the Project from that date forward including, without limitation, costs of operation and maintenance, electricity, gas, water, telecom and other utilities, security, personnel and insurance to a level as determined to be appropriate by the City.

10.6 Certificate of Final Acceptance. Upon issuance of the Certificate of Final Completion by the Architect of Record, the Commission shall deliver to the Authorized HED Representative a Certificate of Acceptance, substantially in the form attached hereto as Exhibit C2 along with a copy of the Certificate of Final Completion issued by the Architect of Record and the final occupancy certifications by the authority having jurisdiction. The Certificate of Final Acceptance shall certify that each of the following have been completed and appropriate documentation delivered to HED: environmental reports; permits and licenses; shop drawings; "as-built" contract drawings; operation and maintenance manuals; training of HED personnel; subcontractor/manufacturers warranties; QA/QC Certification of testing and start-up; commissioning (BAS, HVAC, etc.); and LEEDs Commissioning to USGBC. Upon delivery of

such certificates by the Authorized Commission Representative to the Authorized HED Representative, the Project will be deemed completed and accepted by the City in accordance with the terms of this Agreement.

10.7 Final Payment to Contractor. Unless otherwise provided by the Contract, upon completion of all the Work required to be completed by the Contract Documents and issuance of a Certificate of Final Completion by the Architect of Record, the Commission shall process final payment to the Contractor in accordance with the procedures set forth in the Contract Documents.

SECTION XI
NOTICES

11.1 Notices to Parties. Any notice, certificate or other communication provided pursuant to this Agreement shall be in writing and shall be mailed, postage prepaid by registered or certified mail with return receipt requested, or hand delivered and receipted, as follows:

If to the City:

Commissioner
Department of Housing and Economic
Development
City of Chicago
121 North LaSalle Street
Room 1000, City Hall
Chicago, Illinois 60602

Budget Director
Office of Management and Budget
City of Chicago
121 North LaSalle Street
Room 604, City Hall
Chicago, Illinois 60602

with a copy to:

Corporation Counsel
Department of Law
City of Chicago
121 North LaSalle Street
Room 600, City Hall
Chicago, Illinois 60602
Attn: Finance and Real Estate Division

If to the Commission: Executive Director
Public Building Commission of Chicago
50 West Washington Street – Room 200
Chicago, Illinois 60602

with a copy to: Neal & Leroy, LLC
203 North LaSalle Street – Suite 2300
Chicago, Illinois 60601

Notices are deemed to have been received by the parties three (3) days after mailing (return receipt) or upon receipt if hand delivered.

11.2 Changes. The parties, by notice given hereunder, may designate any further or different addressee or addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION XII MISCELLANEOUS PROVISIONS

12.1 Entire Agreement; Amendment. Except as otherwise provided herein, this Agreement contains the entire agreement of the parties with respect to the subject matter herein and supersedes all prior agreements, negotiations and discussions with respect thereto, and shall not be modified, amended or changed in any manner whatsoever except by mutual consent of the parties as reflected by written instrument executed by the parties hereto.

12.2 Conflict of Interest. No member of the Board nor any member of any agency, board, commission or department of the City nor any official or employee of the City or the Commission shall have any financial or ownership interest, direct or indirect, in the Site or any Contract; nor shall any such member, official or employee participate in any decision which affects his or her personal interest or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No representative of the City or the Commission shall be personally liable for the performance of the City or the Commission of the terms and conditions of this Agreement.

12.3 Mutual Assistance. The parties agree to perform their respective obligations, including the execution and delivery of any documents, instruments and certificates, as may be necessary or appropriate, consistent with the terms and provisions of this Agreement.

12.4 Disclaimer. No provision of this Agreement, nor any act of the City or the Commission shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City or the Commission.

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

12.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

12.7 Successors and Assigns. The terms of this Agreement shall be binding upon the City and the Commission. None of the rights, duties or obligations under this Agreement may be assigned without the express written consent of the parties except as otherwise provided in this Agreement.

12.8 Severability. If any provision of this Agreement, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Agreement shall be construed as if such invalid part were not included herein and the remainder of the terms of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12.9 Counterparts. This Agreement shall be executed in several counterparts, each of which shall constitute an original instrument.

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

CITY OF CHICAGO

By: _____
Andrew Mooney
Commissioner
Department of Housing and Economic Development

PUBLIC BUILDING COMMISSION
OF CHICAGO

By: _____
Erin Lavin Cabonargi
Executive Director

EXHIBIT A
[intentionally omitted]

**EXHIBIT B
PROJECT BUDGET**

(See Attachment)

Total Project Budget

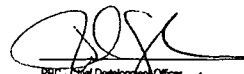
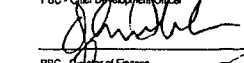
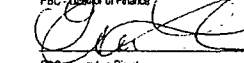


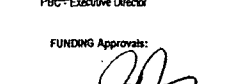
Public Building Commission of Chicago • Richard J. Daley Center • 50 West Washington, Room 200 • Chicago, Illinois 60602 • Tel: 312-744-3300 • Fax: 312-744-8005

Division: City of Chicago
 Project: Ramirez Theater
 Address: 3519 S. Halsted St.
 Ward / AM: 11 / J. Balcor

Project Number: 04410
 Date: 3/22/2012
 PM: A. Vaca

| Cost Codes | GL Code | Group Headings | Masonry Repairs Project Budget | Comments |
|------------|---------|---|--------------------------------|--|
| | | Square Footage | N/A | |
| | | I Planning | | |
| 01.01 | 522415 | Preliminary Property Appraisals | \$0 | |
| 01.02 | 522210 | Demolition Assessment/Planning | \$0 | |
| 01.03 | 513119 | Environmental Assessment/Planning | \$0 | |
| 01.04 | 513173 | Facility/Site Test Fits/Layouts | \$0 | |
| 01.05 | 513183 | Conceptual Estimating | \$0 | |
| 01.06 | 513186 | Other Planning Costs | \$0 | |
| 01.07 | 513163 | Site Survey | \$3,000 | |
| | | Sub-Total | \$3,000 | |
| | | II Land Acquisition & Site Control | | |
| 02.01 | 513200 | Legal Fees - Acquisition | \$5,000 | IGA |
| 02.02 | 513203 | Legal Fee Reimbursable | \$500 | |
| 02.06 | 522100 | Land Acquisition | \$0 | |
| 02.07 | 522300 | Relocation Costs | \$0 | |
| 02.09 | 524800 | Abatement, Demo, Fencing, & Signage | \$700 | |
| 02.11 | 523700 | Utility Service & Relocation Fees | \$0 | |
| 02.12 | 523720 | Public Right of Way Amendment | \$0 | |
| 02.13 | 522150 | Other Land Acquisition Costs | \$0 | |
| | | Sub-Total | \$6,200 | |
| | | III Environmental and Site Preparation | | |
| 03.01 | 513140 | Environmental Testing and Consulting | \$5,000 | |
| 03.03 | 513168 | Geotechnical Testing | \$0 | |
| 03.06 | 523900 | Environmental Remediation & Site Preparation | \$0 | |
| 03.07 | 523950 | Other Environmental & Site Prep. Costs | \$0 | |
| | | Sub-Total | \$5,000 | |
| | | IV Design | | |
| 04.01 | 521105 | Design Architect Fees | \$0 | |
| 04.02 | 521100 | ACR Basic Fees | \$20,000 | |
| 04.03 | 521500 | ACR Reimbursable | \$2,000 | |
| 04.04 | 521600 | ACR Additional Services | \$0 | |
| 04.10 | 513600 | Commissioning Agent | \$0 | |
| 04.11 | 513700 | Developer Service Fees/ Part II Fee | \$0 | |
| 04.12 | 513250 | Legal Fee - Zoning Board Approval, Plan Development | \$0 | |
| 04.13 | 513800 | Other Design Related Costs | \$0 | |
| | | Sub-Total | \$22,000 | |
| | | V Project Implementation | | |
| 05.01 | 513142 | Project Management Costs | \$48,041 | |
| 05.02 | 620100 | Project Management Reimbursable | \$0 | |
| 05.04 | 518700 | Pre-Bid Advertising | \$0 | |
| 05.05 | 615200 | Document Reproduction | \$0 | |
| 05.06 | 518600 | Community Outreach | \$0 | |
| 05.07 | 513104 | Affirmative Action Consulting | \$1,581 | |
| 05.09 | 511300 | PBC Administration | \$6,000 | |
| 05.10 | 513900 | Other Project Implementation Costs | \$0 | |
| | | Sub-Total | \$53,622 | |
| | | VI Construction | | |
| 06.01 | 512136 | Testing and Inspection | \$3,000 | |
| 06.02 | 514200 | Insurance | \$0 | |
| 06.04 | 524300 | General Construction | \$189,347 | |
| 06.05 | 524350 | General Construction Allowances | \$13,000 | Allowance to cover terracotta repairs and exterior drain |
| 06.06 | 591100 | General Construction Contract Contingency | \$0 | |
| 06.07 | 513108 | IT Systems | \$0 | |
| 06.08 | 526000 | FF&E - Furnishings | \$0 | |
| 06.09 | 516100 | Public Artwork Program | \$0 | |
| 06.10 | 591000 | Construction Contingency | \$37,869 | |
| | | Sub-Total | \$243,216 | |
| | | TOTAL PBC BUDGET | \$333,098 | |
| | | IX User Agency Budget | | |
| 09.01 | TBD | Item 1 | \$0 | |
| 09.02 | TBD | Item 2 | \$0 | |
| 09.03 | TBD | Item 3 | \$0 | |
| | | TOTAL USER AGENCY BUDGET | \$0 | |
| | | TOTAL PROJECT BUDGET | \$333,098 | |


 PBC - Chief Development Officer

 PBC - Director of Finance

 PBC - Executive Director

 FUNDING Approvals:

 User Agency or City Department

 Funding Authority

EXHIBIT C-1
NOTICE OF SUBSTANTIAL COMPLETION

Date:

Name:

Commissioner
City of Chicago
Department of Housing and Economic Development
121 North LaSalle Street, Suite 1000
Chicago, IL 60602

Re:

Dear Commissioner:

Enclosed please find a Certificate of Substantial Completion as issued by the Architect of Record, a copy of the Punch List, along with a Certificate of Occupancy for the above-referenced Project, and a letter from the independent commissioning agent certifying that all systems are operating as designed.

The Public Building Commission is in the process of completing the remaining punch list work. Copies of all warranties, operations/maintenance manuals and as-built drawings are currently being assembled and will be transmitted to you upon Final Completion of the Project. Training of Department of Housing and Economic Development staff has been completed, all keys have been turned over, and draft copies of warranties and operation/maintenance manuals have been provided to the HED building engineer.

Please contact the writer at (312) _____ should you have any questions.

Very truly yours,

Public Building Commission of Chicago

PBC Project Manager

Enclosure

cc: Erin Lavin-Cabonargi, Executive Director- PBC

EXHIBIT C-2
CERTIFICATE OF FINAL ACCEPTANCE

Date:

Name:

Title:

City of Chicago

Department of Housing and Economic Development

121 North LaSalle Street, Suite 1000

Chicago, IL 60602

Project Name and Number: _____

Dear _____:

Enclosed please find a Certificate of Final Completion as issued by the Architect of Record, along with a final occupancy certifications for the above-referenced Project.

The Public Building Commission has verified that all punch list work has been completed. Copies of all warranties, operations/maintenance manuals and as-built drawings are transmitted to you concurrently with this certificate.

Please contact the writer at (312) _____ should you have any questions.

Very truly yours,

Public Building Commission of Chicago

PBC Project Manager

Enclosure

cc: Erin Lavin-Cabonargi, Executive Director- PBC

EXHIBIT D
COPYRIGHT PROVISIONS

The parties intend and agree that, to the extent permitted by law, the drawings, specifications and other design documents to be produced by the Architect and its sub-consultants pursuant to this Agreement (the "Work") shall conclusively be deemed works made for hire within the meaning and purview of Section 101 of the United States Copyright Act, 17 U.S.C. 101 *et seq.*, and that the Commission, the City, and HED (the City and HED collectively referred to in this Exhibit D as the "User Agency") and their successors and assigns, will be the copyright owner of all aspects, elements and components thereof in which copyrights can subsist. To the extent that any of the foregoing does not qualify as a "work made for hire," the Architect hereby irrevocably grants, conveys, bargains, sells, assigns, transfers and delivers to the Commission and the User Agency and their successors and assigns, all right, title, and interest in and to the copyrights and all U.S. and foreign copyright registrations, copyright applications and copyright renewals thereof, and all other intangible, intellectual property embodied in or pertaining to the Work contracted for under the Agreement, free and clear of any liens, claims or other encumbrances, to the fullest extent permitted by law. The Architect will execute all documents and, at the expense of the Commission, perform all acts that the Commission may reasonably request in order to assist the Commission and the User Agency and their successors and assigns, in perfecting their rights in and to the copyrights relating to the Work.

The Architect warrants to the Commission and the User Agency and their successors and assigns, that (1) the Work constitutes a work of authorship; (2) on the date hereof the Architect is the lawful owner of good and marketable title in and to the copyrights for the Work (including the copyrights on designs and plans relating to the Work); (3) the Architect has the legal right to fully assign any such copyright with respect to the Work; (4) the Architect has not assigned any copyrights nor granted any licenses, exclusive or non-exclusive, to any other party; (5) the Architect is not a party to any other agreement or subject to any other restrictions with respect to the Work; and (6) the plans and designs for the Work will, upon completion of the Services be complete, entire and comprehensive. Further, the Architect agrees that it will not restrict or otherwise interfere with the Commission's and/or the User Agency's future actions in authorizing the use, adaptation, revision, or modification or destruction of the Work provided that the Architect is indemnified for any damages resulting from any such future re-use or adaptation of the Work as may be authorized by the Commission or by the User Agency, as applicable.

EXHIBIT E
INSURANCE REQUIREMENTS

City of Chicago
Contract Insurance Requirements

The Contractor must provide and maintain at Contractor's own expense, until Contract completion and during the time period following final completion if Contractor is required to return and perform any additional work, the minimum insurance coverages and requirements specified below, insuring all operations related to the Contract.

INSURANCE TO BE PROVIDED

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Contract and Employers Liability coverage with limits of not less than \$500,000 each accident or illness.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, (for minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The Public Building Commission and the City of Chicago are to be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

Subcontractors performing work for Contractor must maintain limits of not less than \$1,000,000 per occurrence with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Contractor must provide Automobile Liability Insurance, with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The Public Building Commission and the City of Chicago are to be named as additional insureds on a primary, non-contributory basis.

Subcontractors performing work for Contractor must maintain limits of not less than \$1,000,000 per occurrence with the same terms herein.

4) Contractors Pollution Liability

When any work is performed which may cause a pollution exposure, Contractors Pollution Liability must be provided covering bodily injury, property damage and other losses caused by pollution conditions that arise from the Contract scope of services with limits of not less than \$1,000,000 per occurrence. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the

Contract. A claims-made policy, which is not renewed or replaced, must have an extended reporting period of two (2) years. The Public Building Commission and the City of Chicago are to be named as additional insureds on a primary, non-contributory basis.

5) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Contract, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy, which is not renewed or replaced, must have an extended reporting period of two (2) years.

6) Builders Risk

When Contractor undertakes any construction, including improvements, betterments, and/or repairs, the Contractor must provide All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility. Coverage must include but are not limited to the following: right to partial occupancy, collapse, water including overflow, leakage, sewer backup, or seepage, damage to adjoining or existing property, debris removal, scaffolding, faulty workmanship or materials, mechanical-electrical breakdown, testing, and equipment stored off site or in transit. The Public Building Commission and the City of Chicago are to be named as additional insureds and loss payees

The Contractor is responsible for all loss or damage to Commission and/or City property at full replacement cost.

The Contractor is responsible for all loss or damage to personal property (including but not limited to materials, equipment, tools, and supplies) owned, rented, or used by Contractor.

7) Railroad Protective Liability

When any work is to be done, adjacent to or on railroad or transit property, Contractor must provide, with respect to the operations that Contractor or subcontractors perform, Railroad Protective Liability Insurance in the named of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

B. ADDITIONAL REQUIREMENTS

Contractor must furnish the Public Building Commission Procurement Department, Richard J. Daley Center, Room 200, Chicago, IL 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Contract, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Contract. The Contractor must submit evidence of insurance to the Public Building Commission prior to Contract award. The receipt of any certificate does not constitute agreement by the Commission that the insurance requirements in the Contract have

been fully met or that the insurance policies indicated on the certificate are in compliance with all Contract requirements. The failure of the Commission to obtain certificates or other insurance evidence from Contractor is not a waiver by the Commission of any requirements for the Contractor to obtain and maintain the specified coverages. The Contractor shall advise all insurers of the Contract provisions regarding insurance. Non-conforming insurance does not relieve Contractor of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Contract, and the Commission retains the right to stop work until proper evidence of insurance is provided, or the Contract may be terminated.

The Commission and/or City of Chicago reserve the right to obtain copies of insurance policies and records from the Contractor and/or its subcontractors at any time upon written request.

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

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Contractor.

The Contractor agrees that insurers waive their rights of subrogation against the Public Building Commission, its employees, elected officials, agents, or representatives and the City of Chicago.

The coverage and limits furnished by Contractor in no way limit the Contractor's liabilities and responsibilities specified within the Contract or by law.

Any insurance or self-insurance programs maintained by the Commission and City of Chicago do not contribute with insurance provided by the Contractor under the Contract.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Contract or any limitation placed on the indemnity in this Contract given as a matter of law.

If contractor is a joint venture, the insurance policies must name the joint venture as a named insured.

The Contractor must require all subcontractors to provide the insurance required herein, or Contractor may provide the coverage for subcontractors. All subcontractors are subject to the same insurance requirements of Contractor unless otherwise specified in this Contract.

If Contractor or subcontractor desires additional coverage, the party desiring the additional coverage is responsible for the acquisition and cost.

The Public Building Commission maintains the rights to modify, delete, alter or change these requirements.