



Office of the City Clerk



SO2012-4992

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	7/25/2012
Sponsor(s):	Emanuel, Rahm (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 2828-2846 W Taylor St and 2845-2849 W Arthington St
Committee(s) Assignment:	Committee on Housing and Real Estate

SUBSTITUTE
ORDINANCE

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 is the owner of eleven parcels of land commonly known as 2828-2846 West Taylor Street and 2845-2849 West Arthington Street, Chicago, Illinois, which are legally described on Exhibit A attached hereto (the "Property"); and

WHEREAS, the Property is located in the Midwest Redevelopment Project Area, which was established pursuant to ordinances adopted by the City Council of the City (the "City Council") on May 17, 2000 and published in the Journal of the Proceedings of the City Council (the "Journal") of such date at pages 30775 through 30953 (the "Area"); and

WHEREAS, Twenty-Three Corporation is an Illinois corporation ("Developer") whose offices are located at 1211 South Prairie Avenue, Chicago, Illinois 60605; and

WHEREAS, the Developer desires to purchase the Property from the City and construct thereon a one story, 25,000 square foot indoor sports facility (the "Project"); and

WHEREAS, by Resolution No. 12-CDC-20, adopted on June 12, 2012, the Community Development Commission ("CDC") authorized the Department of Housing and Economic Development (the "Department") to advertise its intention to enter into a negotiated sale with the Developer for the redevelopment of the Property consistent with the Plan, and approved the Department's request to advertise for alternative proposals; 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 June 15, 2012, June 29, 2012 and July 13, 2012; and

WHEREAS, no alternative proposals were received by the deadline indicated in the aforesaid notices; and

WHEREAS, by CPC Resolution No. 12-041-21, adopted on July 19, 2012, the Chicago Plan Commission ("CPC") approved the Department's entering into a negotiated sale with the Developer for the redevelopment of the Property; *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 sale of the Property to the Developer for the fair market value amount of One Hundred Eight Thousand and No/100 Dollars (\$108,000.00) is hereby approved. This approval is expressly conditioned upon the City entering into a redevelopment agreement with the Developer substantially in the form attached hereto as Exhibit A (the "Redevelopment Agreement"). 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 as to form and legality, 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.

SECTION 3. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to the Grantee.

SECTION 4. 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 5. This ordinance shall take effect immediately upon its passage and approval.

Attachments: Exhibit A - Redevelopment Agreement

EXHIBIT A

REDEVELOPMENT AGREEMENT

(ATTACHED)

**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** ("Agreement") is made on or as of the ___ day of _____, 2012, by and between the **CITY OF CHICAGO**, an Illinois municipal corporation ("City"), acting by and through its Department of Housing and Economic Development ("DHED"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 and **TWENTY-THREE CORPORATION**, an Illinois corporation ("Developer"), whose offices are located at 1211 South Prairie Avenue, Chicago, Illinois 60605.

RECITALS

WHEREAS, the 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 is the owner of eleven parcels of land commonly known as 2828-2846 West Taylor Street and 2845-2849 West Arthington Street, Chicago, Illinois, which are legally described on Exhibit A attached hereto (the "Property"); and

WHEREAS, the Property is located in the Midwest Redevelopment Project Area, which was established pursuant to ordinances adopted by the City Council of the City (the "City Council") on May 17, 2000 and published in the Journal of the Proceedings of the City Council (the "Journal") of such date at pages 30775 through 30953 (the "Area"); and

WHEREAS, the Developer desires to purchase the Property from the City and construct thereon a one story, 25,000 square foot indoor sports facility as more fully described on Exhibit B attached hereto (the "Project"); and

WHEREAS, the City Council, pursuant to an ordinance adopted on ____, 2012, and published at pages ____ through ____ in the Journal of such date, authorized the sale of the Property to the Developer, subject to the execution, delivery and recording of this Agreement; and

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 foregoing recitals 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.

The City hereby agrees to sell, and the Developer hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Property, for the sum of One Hundred and Eight Thousand and 00/100 Dollars (\$108,000.00) ("Purchase Price"), which represents the appraised fair market value of the Property to be paid to the City at the Closing (as defined in Section 4). Except as specifically provided herein to the contrary, the Developer shall pay all escrow fees and other title insurance fees and closing costs.

SECTION 3. EARNEST MONEY AND PERFORMANCE DEPOSIT.

Developer shall tender before the Closing an Earnest Money Deposit to the City in the amount of Five Thousand Four Hundred and 00/100 Dollars (\$5,400.00). The amount of the Earnest Money Deposit shall be deducted from the amount due to the City at the time of Closing. Developer shall tender at or before the Closing a Performance Deposit to the City also in the amount of Five Thousand Four Hundred and 00/100 Dollars (\$5,400.00) as security for the performance of its obligations under this Agreement, which the City will retain until the City issues a Certificate of Completion (as defined in Section 12).

SECTION 4. CLOSING.

The closing of the transaction contemplated by this Agreement ("Closing") shall take place at the downtown offices of Greater Illinois Title Company ("Title Company"), 120 North LaSalle Street, Suite 900, Chicago, Illinois 60602, within thirty (30) days after the Developer has obtained all necessary zoning, building permits and other governmental approvals for the Project, as required pursuant to Section 9 hereof, or on such date and at such place as the parties mutually agree upon in writing (the "Closing Date"); provided, however, in no event shall the Closing occur (a) unless and until the Developer has satisfied all conditions precedent set forth in Section 9 hereof, unless the Commissioner of DHED, in his sole discretion, waives such conditions, and (b) any later than

December 31, 2012 the "Outside Closing Date"), unless the Commissioner of DHED, in his sole discretion, extends such Outside Closing Date by not more than six (6) months. On or before the Closing Date, the City shall deliver to the Title Company the Deed, (as defined in Section 5.1 below) all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement.

SECTION 5. CONVEYANCE OF TITLE.

5.1 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 such deed, the following:

- (a) the standard exceptions in an ALTA title insurance policy;
- (b) general real estate taxes and any special assessments or other taxes;
- (c) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (d) such other title defects as may exist;
- (e) any and all exceptions caused by the acts of the Developer or its agents;
- (f) a deed covenant restricting the Property to the uses permitted under Section 14 below, which covenants shall run with the land in perpetuity.

5.2 Recording Costs. The Developer shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the Property to the Developer.

SECTION 6. TITLE AND SURVEY.

6.1 The Developer acknowledges that the City has delivered to the Developer a commitment for an owner's policy of title insurance for the Property, Order No. 004410324, with an effective date of April 6, 2012 issued by Greater Illinois Title Company (the "Title Commitment"), showing the City in title to the Property. The Developer shall be solely responsible for and shall pay all costs associated with updating the Title Commitment (including all search, continuation and later-date fees), and obtaining any title insurance, extended coverage or other endorsements it deems necessary. The Developer shall also be solely responsible for and shall pay all costs associated with obtaining any survey it deems necessary.

6.2 The City shall use reasonable efforts to obtain the waiver or release of any delinquent real estate tax liens on the Property prior to the Closing, to the extent such tax liens can be waived or

released through submission of an abatement letter to the Cook County Treasurer or a motion to vacate a tax sale. If 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: (a) accept title to the Property subject to the exceptions, without reduction in the Purchase Price; or (b) terminate this Agreement by delivery of written notice to the City at least fourteen (14) days prior to the Closing Date, in which event the City shall return the Earnest Money (if any) and Performance Deposit (if any) to the Developer, 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. The Developer shall also be responsible for all taxes accruing after the Closing.

SECTION 7. BUILDING PERMITS AND OTHER GOVERNMENTAL APPROVALS.

The Developer shall apply for all necessary building permits, zoning changes and other required permits and governmental approvals for the construction of the Project promptly after approval by the City Council of the sale of the Property.

SECTION 8. PROJECT BUDGET AND PROOF OF FINANCING.

The total budget for the Project as of the date of this Agreement is estimated to be One Million Eight Hundred Twenty Thousand Six Hundred Seventy and 00/100 Dollars (\$1,820,670.00) (the "Preliminary Project Budget"). Not less than fourteen (14) days prior to the Closing Date, the Developer shall submit to DHED for approval a final project budget materially consistent with the Preliminary Project Budget ("Budget") and evidence of funds adequate to finance the purchase of the Property and the construction of the Project ("Proof of Financing"). The Proof of Financing shall include binding commitment letters from the Developer's lenders, if any, and evidence of the Developer's ability to make an equity contribution in the amount of any gap in financing.

SECTION 9. CONDITIONS TO THE CITY'S OBLIGATION TO CLOSE.

The obligations of the City under this Agreement are contingent upon the delivery or satisfaction of each of the following items at least fourteen (14) days prior to the Closing Date, unless another time period is specified below:

9.1 Final Governmental Approvals. The Developer shall deliver to the City evidence of application for all building permits, zoning and other final governmental approvals necessary to construct the Project.

9.2 Budget. The City shall have approved the Developer's Budget and MBE/WBE Budget as defined in Section 23.

9.3 Simultaneous Loan Closing. On the Closing Date, the Developer shall have closed or shall simultaneously close all financing approved pursuant to Section 9.2, and be in a position to immediately commence construction of the Project.

9.4 Insurance. The Developer shall deliver to the City evidence of insurance reasonably acceptable to the City. The City shall be named as an additional insured on all liability insurance policies and as a loss payee (subject to the prior rights of any first mortgagee) on all property insurance policies from the Closing Date through the date the City issues a Certificate of Completion (as defined in Section 13 below) for the Project. 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.

9.5 Legal Opinion. The Developer shall deliver to the City a legal opinion in a form reasonably acceptable to the City.

9.6 Due Diligence. The Developer shall deliver to the City due diligence searches in its name (UCC liens, state and federal tax liens, pending suits 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 Corporation Counsel.

9.7 Organization and Authority Documents. The Developer shall deliver to the City the Developer's articles of incorporation, including all amendments thereto, as furnished and certified by the Illinois Secretary of State; the bylaws of the Developer, as certified by the secretary of the Developer; or resolutions authorizing the Developer to execute and deliver this Agreement and any other documents required to complete the transaction contemplated by this Agreement and to perform its obligations under this Agreement; a certificate of good standing from the Illinois Secretary of State dated no more than thirty (30) days prior to the Closing; and such other authority and organizational documents as the City may reasonably request.

9.8 Subordination Agreement. Prior to recording any mortgage approved pursuant to Section 9.2, the Developer shall deliver to the City a subordination agreement in a form reasonably acceptable to the City (the "Subordination Agreement").

9.9 MBE/WBE, City Residency Hiring and Prevailing Wage Compliance Plan. The Developer and the Developer's general contractor and all major subcontractors shall meet with staff from DHED regarding compliance with the MBE/WBE, city residency hiring, prevailing wage and other requirements set forth in Section 23, and at least seven (7) days prior to the Closing Date, the City shall have approved the Developer's compliance plan in accordance with Section 23.4.

9.10 Representations and Warranties. On the Closing Date, each of the representations and warranties of the Developer in Section 24 and elsewhere in this Agreement shall be true and correct.

9.11 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 and when required under this Agreement.

If any of the conditions in this Section 9 have not been satisfied to DHED's reasonable satisfaction within the time periods provided for herein, or waived by DHED in writing, DHED may, at its option, terminate this Agreement by delivery of written notice to the Developer at any time after the expiration of the applicable time period, in which event 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 DHED in exercising its right to terminate this Agreement upon a default hereunder shall not be construed as a waiver of such right.

SECTION 10. CONSTRUCTION REQUIREMENTS.

10.1 Drawings. The Developer shall construct the Project on the Property in substantial accordance with the site plan and other drawings substantially attached hereto as Exhibit C, and in accordance the final plans and specifications prepared by Adam M. Lyons, architect, dated January 16, 2012 which have been approved by DHED and which are incorporated herein by this reference (collectively, "Drawings"). No material deviation from the Drawings may be made without the prior written approval of DHED. If the Developer submits and DHED approves revised site plans or architectural drawings after the date of this Agreement, the term "Drawings" as used herein shall refer to the revised site plans and architectural drawings upon DHED's written approval of the same.

10.2 Relocation of Utilities, Curb Cuts and Driveways. The Developer shall be solely responsible for and shall pay all costs associated with: (a) the relocation, installation or construction of public or private utilities, curb cuts and driveways; (b) the repair or reconstruction of any curbs, vaults, sidewalks or parkways required in connection with or damaged as a result of the Developer's construction of the Project; (c) the removal of existing pipes, utility equipment or building foundations; and (d) the termination of existing water or other services. The City shall have the right to approve any streetscaping provided by the Developer as part of the Project, including, without limitation, any paving of sidewalks, landscaping and lighting.

10.3 City's Right to Inspect Property. For the period commencing on the Closing Date and continuing through the date the City issues a Certificate of Completion (as defined in Section 13 below), 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").

10.4 Barricades. Prior to the commencement of any construction activity requiring barricades, the Developer shall install barricades of a type and appearance satisfactory to the City and

constructed in compliance with all applicable Laws. DHED shall have the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades, which approval shall not be unreasonably withheld or delayed. The Developer shall erect all barricades so as not to interfere with or affect any bus stop or train station in the vicinity of the Property.

10.5 Survival. The provisions of this Section 10 shall survive the Closing.

SECTION 11. LIMITED APPLICABILITY.

Any approval given by DHED pursuant to this Agreement is for the purpose of this Agreement only and does not constitute the approval required by the City's Department of Buildings ("DOB") or any other City department, nor does such approval constitute an approval of the quality, structural soundness or safety of any improvements located or to be located on the Property, or the compliance of said improvements with any Laws, private covenants, restrictions of record, or any agreement affecting the Property or any part thereof.

SECTION 12. COMMENCEMENT AND COMPLETION OF PROJECT.

The Developer shall commence construction of the Project no later than six (6) months after the Closing, and shall complete the Project (as evidenced by the issuance of a Certificate of Completion) no later than twelve (12) months after the start of construction; provided, however, DHED, in its sole discretion, may extend the construction commencement and completion dates one-time by up to six months. The Developer shall give written notice to the City within five (5) days after it commences construction. The Developer shall construct the Project in accordance with the Drawings, and all Laws and covenants and restrictions of record.

SECTION 13. CERTIFICATE OF COMPLETION.

Upon completion of the Project, the Developer shall request that the City inspect the improvements, which request shall be accompanied by a Certificate of Substantial Completion from the project architect in substantially the form attached hereto as Exhibit D. Within forty-five (45) days after receipt of a Request for Inspection and the accompanying Certificate of Substantial Completion, the City shall inspect the Project to determine whether it is substantially complete (i.e., complete except for punch list items) and constructed in accordance with this Agreement, and shall thereafter deliver to the Developer either a Certificate of Completion ("Certificate of Completion") or a Developer either a Certificate of Completion ("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 opinion of the City, for the Developer to take or perform in order to obtain the Certificate of Completion. If the City requires additional measures or acts to assure compliance, the Developer shall have thirty (30) days to correct any deficiencies and resubmit a Request for Inspection. The Certificate of Completion shall be in recordable form, and shall, upon recording, constitute a

conclusive determination of satisfaction and termination of the covenants in this Agreement and the Deed with respect to the Developer's obligations to construct the Project. The Certificate of Completion shall not, however, constitute evidence that the Developer has complied with any Laws relating to the construction of the Project, nor shall it serve as any guaranty as to the quality of the construction.

SECTION 14. RESTRICTIONS ON USE.

The Developer agrees that it:

14.1 Shall not 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 or the Project or any part thereof.

14.2 The Developer acknowledges and agrees that the use restrictions set forth in this Section 14 constitute material, bargained-for consideration for the City, and that, but for such use restrictions, the City would not have agreed to convey the Property to the Developer.

SECTION 15. PROHIBITION AGAINST SALE OR TRANSFER OF PROPERTY.

Prior to the issuance of the Certificate of Completion for the Project: (a) neither the Developer nor any owner of the Developer may, without the prior written consent of DHED, which consent shall be in DHED's sole discretion, directly or indirectly sell, transfer or otherwise dispose of the Property or any part thereof or any interest therein; and (b) neither the Developer nor any owner of the Developer may, without the prior written consent of DHED, which consent shall be in DHED's sole discretion, directly or indirectly assign this Agreement. The Developer and its owners acknowledge and agree that DHED 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 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. If the Developer is a business entity, no principal party of the Developer (e.g., a general partner, member, manager or shareholder) may sell, transfer or assign any of its interest in the entity prior to the issuance of the Certificate of Completion to anyone other than another principal party, without the prior written consent of DHED, which consent shall be in DHED's sole discretion.

SECTION 16. LIMITATION UPON ENCUMBRANCE OF PROPERTY.

Prior to the issuance of the Certificate of Completion, neither the Developer nor any of its owners shall, without DHED's prior written consent, which shall be in DHED's sole discretion, engage in any financing or other transaction which would create an encumbrance or lien on the Property, except for the acquisition and construction financing approved pursuant to Section 9.2 hereof.

SECTION 17. 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 covenants running with the land specified in Section 18. 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, 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 18.

SECTION 18. COVENANTS RUNNING WITH THE LAND.

The parties agree, and the Deed shall so expressly provide, that the covenants provided in Section 12 (Commencement and Completion of Project), Section 14 (Restrictions on Use), Section 15 (Prohibition Against Sale or Transfer of Property) and Section 16 (Limitation Upon Encumbrance of Property) will be covenants running with the land, binding on the Developer and its successors and assigns (subject to the limitation set forth in Section 17 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. The covenants provided in Sections 12, 15 and 16 shall terminate upon the issuance of the Certificate of Completion. The covenants contained in Section 14.1 and Section 14.2 shall not terminate but shall run with the land in perpetuity.

SECTION 19. PERFORMANCE AND BREACH.

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

19.2 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, without limitation, acts of God, acts of the public enemy, acts of the United States government, fires, floods, epidemics, quarantine restrictions, strikes, embargoes and unusually severe weather or delays of 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 an extension in writing within twenty (20) days after the beginning of any such delay.

19.3 Cure. If the Developer defaults in the performance of its obligations under this Agreement, the Developer shall have sixty (60) days after written notice of default from the City to cure the default, or such longer period as shall be reasonably necessary to cure such default provided the Developer promptly commences such cure and thereafter diligently pursues such cure to

completion (so long as continuation of the default does not create material risk to the Project or to persons using the Project). Notwithstanding the foregoing, no notice or cure period shall apply to defaults under Sections 19.4(c), (e) and (g).

19.4 Event of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Agreement:

(a) The Developer makes or furnishes a warranty, representation, statement or certification to the City (whether in this Agreement, an Economic Disclosure Statement, or another document) that is not true and correct.

(b) 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 thirty (30) days after filing.

(c) The Developer fails to complete the Project in accordance with the time line outlined in Section 12 above, or the Developer abandons or substantially suspends construction of the Project, or ceases to operate the in door sports facility.

(d) The Developer fails to pay real estate taxes or assessments affecting the Property or any part thereof when due, or places thereon any encumbrance or lien unauthorized by this Agreement, or suffers or permits any levy or attachment, mechanic's, laborer's, material supplier's, or any other lien or encumbrance unauthorized by this Agreement to attach to the Property unless bonded or insured over.

(e) The Developer makes an assignment, pledge, unpermitted financing, encumbrance, transfer or other disposition in violation of this Agreement.

(f) There is a material and adverse change in the Developer's financial condition or operations.

(g) The Developer fails to close by the Outside Closing Date, unless DHED, in its sole discretion, extends the Outside Closing Date, as permitted under Section 4.

(h) The Developer fails to perform, keep or observe any of the other covenants, conditions, promises, agreements or obligations under this Agreement or any other written agreement entered into with the City with respect to the Project.

19.5 Prior to Closing. If an Event of Default occurs prior to the Closing, and the default is not cured in the time period provided for in Section 19.3 above, the City may terminate this Agreement.

19.6 After Closing. If an Event of Default occurs after the Closing but prior to the issuance of the Certificate of Completion, and the default is not cured in the time period provided for

in Section 19.3 above, 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 revert 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.

19.7 Resale of the Property. Upon the reversioning in the City of title to the Property as provided in Section 19.6, the City may complete the Project or convey the Property, subject to any first mortgage lien, to a qualified and financially responsible party reasonably acceptable to the first mortgagee, who shall assume the obligation of completing the Project or such other improvements as shall be satisfactory to DHED, and otherwise comply with the covenants that run with the land as specified in Section 18.

19.8 Disposition of Resale Proceeds. If the City sells the Property as provided for in Section 19.7, the net proceeds from the sale, after payment of all amounts owed under any mortgage liens authorized by this Agreement in order of lien priority, shall be utilized to reimburse the City for:

(a) costs and expenses incurred by the City (including, without limitation reasonable attorney's fees and salaries of personnel) in connection with the recapture, management and resale of the Property (less any income derived by the City from the Property in connection with such management); and

(b) all unpaid taxes, assessments, and water and sewer charges assessed against the Property; and

(c) 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

(d) any expenditures made or obligations incurred with respect to construction or maintenance of the Project; and

(e) any other amounts owed to the City by the Developer.

The Developer shall be entitled to receive any remaining proceeds up to the amount of the Developer's equity investment in the Property.

SECTION 20. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

The Developer represents and warrants that no agent, official or employee of the City shall have any personal interest, direct or indirect, in the Developer, this Agreement, the Property or the Project, 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 corporation, partnership, association or other entity 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 with respect to any commitment or obligation of the City under the terms of this Agreement.

SECTION 21. 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) suffered or incurred by the City arising from or in connection with: (a) the failure of the Developer to perform its obligations under this Agreement; (b) the failure of the Developer or any contractor or other agent, entity or individual acting under the control or at the request of the Developer ("Agent") to pay contractors, subcontractors or material suppliers in connection with the construction and management of the Project; (c) any misrepresentation or omission made by the Developer or any Agent; (d) the failure of the Developer to redress any misrepresentations or omissions in this Agreement or any other agreement relating hereto; and (e) any activity undertaken by the Developer or any Agent on the Property prior to or after the Closing. This indemnification shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 22. INSPECTION; CONDITION OF PROPERTY AT CLOSING.

22.1 "As Is" Sale. The City makes no 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, and the Developer agrees to accept the Property in its "as is," "where is" and "with all faults" condition.

22.2 Right of Entry.

(a) The Developer's obligations hereunder are conditioned upon the Developer being satisfied with the condition of the Property for the construction, development and operation of the Project. Upon the Developer's request, the City shall grant the Developer the right, at its sole cost and expense, to enter the Property for a period of thirty (30) days (the "Inspection Period") pursuant to a Right of Entry Agreement in form and substance reasonably acceptable to the City to inspect the same, perform surveys, environmental assessments, soil and any other due diligence it deems necessary or desirable to satisfy itself as to the condition of the Property.

(b) If the Developer determines that it is not satisfied, in its sole discretion, with the condition of the Property, the Developer may terminate this Agreement by written notice to the City within thirty (30) days after the expiration of the Inspection Period and this Agreement shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder. If the Developer elects not to terminate this Agreement pursuant to this Section 22.2, the Developer shall be deemed satisfied with the condition of the Property.

22.3 Indemnity. The Developer hereby waives and releases, and indemnifies the City from and against, any claims and liabilities relating to or arising from the structural, physical or environmental condition of the Property, including, without limitation, claims arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and shall undertake and discharge all liabilities of the City arising from any structural, physical or environmental condition that existed on the Property prior to the Closing, including, without limitation, liabilities arising under CERCLA. The Developer hereby acknowledges that, in purchasing the Property, the Developer 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 shall perform such studies and investigations, conduct such tests and surveys, and engage such specialists as the Developer deems appropriate to evaluate fairly the structural, physical and environmental condition and risks of the Property. If, after the Closing, the structural, physical and environmental condition of the Property is not in all respects entirely suitable for its intended use, it shall be the Developer's sole responsibility and obligation to take such action as is necessary to put the Property in a condition which is suitable for its intended use. The provisions of this Section 22.3 shall survive the Closing.

SECTION 23. DEVELOPER'S EMPLOYMENT OBLIGATIONS.

23.1 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 or occupation of the Property:

(a) Neither the Developer nor any Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, 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 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), both as amended from time to time, and any regulations promulgated thereunder.

(d) The Developer, in order to demonstrate compliance with the terms of this Section 23.1, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) 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 23.1 shall be a basis for the City to pursue remedies under the provisions of Section 19.

23.2 City Resident Employment Requirement.

(a) 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 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.

(b) 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.

(c) "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.

(d) 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 the Project. The Developer and the Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

(e) The Developer and the Employers shall submit weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) to DHED 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.

(f) The Developer and the Employers shall provide full access to their employment records to the chief procurement officer, DHED, 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.

(g) At the direction of DHED, 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.

(h) 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 23.2 concerning the worker hours performed by actual Chicago residents.

(i) If the City determines that the Developer or an Employer failed to ensure the fulfillment of the requirements of this Section 23.2 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 23.2. If such non-compliance is not remedied in accordance with the breach and cure provisions of Section 19.3, the parties agree that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Budget shall be surrendered by the Developer and for the Employers 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.

(j) 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.

(k) The Developer shall cause or require the provisions of this Section 23.2 to be included in all construction contracts and subcontracts related to the construction of the Project.

23.3 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:

(1) 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 23.3, during the course of construction of the Project, at least 24% of the aggregate hard construction costs, as set forth in Exhibit E hereto (the "MBE/WBE Budget") shall be expended for contract participation by minority-owned businesses and at least 4% of the MBE/WBE Budget shall be expended for contract participation by women-owned businesses.

(2) For purposes of this Section 23.3 only:

(a) 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.

(b) 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.

(c) 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.

(3) 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 23.3. 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 DHED.

(4) The Developer shall deliver quarterly reports to the City's monitoring staff during the construction of the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, *inter alia*, the name and business address of each MBE and WBE solicited by 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.

(5) 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.

(6) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 23.3 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

23.4 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 DHED monitoring staff regarding compliance with all Section 23 requirements. During this pre-construction meeting, the Developer shall present its plan to achieve its obligations under this Section 23, 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 23 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 23, 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: (x) issue a written demand to the Developer to halt construction of the Project, (y) withhold any further payment of any City funds to the Developer or the general contractor, or (z) seek any other remedies against the Developer available at law or in equity.

SECTION 24. REPRESENTATIONS AND WARRANTIES.

24.1 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 corporation 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: (i) affect the ability of the Developer to perform its obligations hereunder; or (ii) 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.

24.2 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.

24.3 Survival of Representations and Warranties. Each of the parties agrees that all of its representations and warranties set forth in this Section 24 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 25. 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; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested:

City of Chicago
Department of Housing and
Economic Development
121 North LaSalle Street,
Room 1000
Chicago, Illinois 60602
(312) 744-4190

With a copy to:

City of Chicago
Department of Law
121 North LaSalle Street,
Suite 600
Chicago, Illinois 60602
Attn: Real Estate and
Land Use Division
(312) 744-0200

If to the Developer:

To the Address in the Preamble

With a copy to:

Dan O'Brien
Winters, Enright, Salzetta & O'Brien
111 West Washington Street
Chicago, Illinois 60602
(312) 236-6324

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by facsimile, respectively, provided that such facsimile transmission is confirmed as having occurred prior to 5:00 p.m. on a business day. If such transmission 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 business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) 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. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section 25 shall constitute delivery.

SECTION 26. BUSINESS RELATIONSHIPS.

The Developer acknowledges (a) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (b) 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 defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (c) 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 2-145-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

SECTION 27. PATRIOT ACT CERTIFICATION.

The Developer represents and warrants that neither the Developer nor any Affiliate (as hereafter defined) thereof 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 Laws: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. As used in this Section 27, 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 the 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 28. PROHIBITION ON CERTAIN CONTRIBUTIONS - MAYORAL EXECUTIVE ORDER NO. 2011-4.

28.1 The Developer agrees that the Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in the Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, the Developer's contractors (i.e., any person or entity in direct contractual privity with the 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 (the 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 (a) after execution of this Agreement by the Developer, (b) while this Agreement or any Other Contract (as hereinafter defined) is executory, (c) during the term of this Agreement or any Other Contract, or (d) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated. This provision shall not apply to contributions made prior to May 16, 2011, the effective date of Executive Order 2011-4.

28.2 The Developer represents and warrants that from the later of (a) May 16, 2011, or (b) 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.

28.3 The Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the

Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

28.4 The 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

28.5 Notwithstanding anything to the contrary contained herein, the Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this Section 28 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, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

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

28.7 For purposes of this provision:

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

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

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

(d) Individuals are "domestic partners" if they satisfy the following criteria:

(i) they are each other's sole domestic partner, responsible for each other's common welfare; and

(ii) neither party is married; and

(iii) the partners are not related by blood closer than would bar marriage in the State of Illinois; and

(iv) 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

(v) two of the following four conditions exist for the partners:

(1) The partners have been residing together for at least 12 months.

(2) The partners have common or joint ownership of a residence.

(3) The partners have at least two of the following arrangements:

(A) joint ownership of a motor vehicle;

(B) joint credit account;

(C) a joint checking account;

(D) a lease for a residence identifying both

domestic partners as tenants.

(4) Each partner identifies the other partner as a primary beneficiary in a will.

(e) "Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

SECTION 29. COOPERATION WITH INSPECTOR GENERAL AND OFFICE OF COMPLIANCE.

In accordance with Chapter 2-26-110 et seq. of the Municipal Code, Developer acknowledges that every officer, employee, department and agency of the City shall be obligated to cooperate with the Office of the Inspector General and the Executive Director of the Office of Compliance in connection with any activities undertaken by such office with respect to this Agreement, including, without limitation, making available to the Inspector General and Compliance the department's Property, equipment, personnel, books, records and papers. Developer agrees to abide by the provisions of Chapter 2-26-110 et seq.

SECTION 30. WASTE ORDINANCE PROVISIONS.

In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Developer warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Agreement is executory, Developer's, any general contractor's or any subcontractor's violation of the Waste Sections, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Chief Procurement Officer. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity. This section does not limit the Developer's, general contractor's and its subcontractors' duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect the Developer's eligibility for future contract awards.

SECTION 31. MISCELLANEOUS.

The following general provisions govern this Agreement:

31.1 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.

31.2 Cumulative Remedies. The remedies of any party hereunder are cumulative and the exercise of any one or more of such remedies shall not be construed as a waiver of any other remedy herein conferred upon such party or hereafter existing at law or in equity, unless specifically so provided herein.

31.3 Date for 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.

31.4 Entire Agreement; Modification. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements, negotiations and discussions. This Agreement may not be modified or amended in any manner without the prior written consent of the parties hereto. No term of this Agreement may be waived or discharged orally or by any course of dealing, but only by an instrument in writing signed by the party benefited by such term.

31.5 Exhibits. All exhibits referred to herein and attached hereto shall be deemed part of this Agreement.

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

31.7 Headings. The headings of the various sections and subsections 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 hereof.

31.8 No Merger. The terms 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 terms of this Agreement.

31.9 No Waiver. No waiver by the City with respect to any specific default by the Developer shall be deemed to be a waiver of the rights of the City with respect to any other defaults of the Developer, nor shall any forbearance by the City to seek a remedy for any breach or default be deemed a waiver of its rights and remedies with respect to such breach or default, nor shall the City be deemed to have waived any of its rights and remedies unless such waiver is in writing.

31.10 Severability. If any term of this Agreement or any application thereof is held invalid or unenforceable, the remainder of this Agreement shall be construed as if such invalid part were never included herein and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

31.11 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.

(Signature Page Follows)

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, acting by and through its Department of Housing and Economic Development

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

TWENTY-THREE CORPORATION,
an Illinois corporation

By: _____
Name: _____
Its: _____

THIS INSTRUMENT PREPARED BY, AND
AFTER RECORDING, PLEASE RETURN TO:
Marc J. Gaynes
Real Estate Division
Department of Law
City of Chicago
121 North LaSalle Street, Suite 600
Chicago, Illinois 60602
(312) 744-0200

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 Andrew J. Mooney, the Commissioner of the Department of Housing and Economic Development of the City of Chicago, an Illinois municipal corporation, 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 foregoing 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 said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this ____ day of _____, 2012.

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 _____, the _____ of TWENTY-THREE CORPORATION, an Illinois corporation, 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 _____, 2012.

NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

COMMONLY KNOWN AS: 2828-46 West Taylor Street
 2845-49 West Arthington Street
 Chicago Illinois

PERMANENT INDEX NOS. 16-13-319-025 through -032
 16-13-319-005 through -007

EXHIBIT B

NARRATIVE DESCRIPTION OF PROJECT

The twenty-five thousand square foot, one story building will be constructed with pre-cast tilt panels with accent color bands. There is no green roof or LEED certification. The indoor sports facility will provide indoor recreational activities, with an emphasis on youth and adult athletic programming, instructional and specialty clinics, competitive league play, sports specific camps, with fitness and training classes. Other activities that will be offered are soccer, basketball, baseball, football and golf. The facility will also accommodate health and wellness programs, blood drives, fundraising and charity events. The improvements shall be in accordance with the preliminary drawings attached as Exhibit C.

EXHIBIT C

PRELIMINARY DRAWINGS

[TO COME]

EXHIBIT D

CERTIFICATE OF SUBSTANTIAL COMPLETION

City of Chicago
Department of Housing and Economic Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: Michelle Nolan

Re: TWENTY-THREE CORPORATION
2828-2846 West Taylor Street and 2845-2849 West Arthington Street
Chicago, Illinois

This will certify that the indoor sports center at the above-referenced location has been substantially completed in accordance with the plans and specifications provided to the City prepared by _____ and dated _____, 201__.

[PROJECT ARCHITECT]

By: _____

Its: _____

EXHIBIT E

MBE/WBE BUDGET

[TO COME]