



City of Chicago



O2021-3265

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 7/21/2021

Sponsor(s): Lightfoot (Mayor)

Type: Ordinance

Title: Sale of City-owned properties to and execution of redevelopment agreement using multi-family program funds and tax incremental financing (TIF) for 43rd and Calumet Phase I LP, 43rd and Calumet Phase I LLC, Habitat 43 Green LLC, and P3 Markets 43 Green LLC for construction of mixed income, mixed use residential complex at 312 E 43rd St, 4310 S Calumet Ave, 4312 S Calumet Ave and 4314 S Calumet Ave

Committee(s) Assignment: Committee on Finance

FIN



OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

July 21, 2021

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of financial assistance to Calumet Phase I LP for affordable housing development.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours

A handwritten signature in black ink, reading "Lori E. Lightfoot". The signature is fluid and cursive, with the first name "Lori" being the most prominent.

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "**City**"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, the City has certain funds available from a variety of funding sources ("**Multi-Family Program Funds**") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Housing ("**DOH**"); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to the 43rd and Calumet Phase I LP, a Delaware limited partnership (the "**Borrower**" or "**43 Green**"), whose sole general partner is 43rd and Calumet Phase I LLC, an Illinois limited liability company (the "**General Partner**"), the members of which will be (i) Habitat 43 Green LLC, an Illinois limited liability company (the "**Managing Member**" or "**Habitat 43**") and (ii) P3 Markets 43 Green LLC, an Illinois limited liability company ("**GP Member** or "**P3 Markets**"), in an amount not to exceed \$3,000,000 (the "**Loan**"), to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in **Exhibit A** attached hereto and made a part hereof; and

WHEREAS, the members of Managing Member will be Habitat Acquisitions Company LLC, an Illinois limited liability company ("**Acquisitions**") and Generations Housing Initiatives, an Illinois not-for-profit corporation ("**GHI**"); and

WHEREAS, upon the selection of other parties to be the limited partners of Borrower upon the closing of the Loan, pursuant to the terms of Borrower's partnership agreement, said limited partners may have the right to replace General Partner as the sole general partner of Borrower pursuant to certain defaults or other events as may be approved by the City; and

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

WHEREAS, under ordinances adopted on May 29, 2002, and published in the Journal of the Proceedings of the City Council (the "**Journal**") for such date at pages 85676 to 85904 (as amended by ordinances adopted on: (A) November 13, 2013 and published on pages 63293 to 63297 of the Journal for such date and (B) May 28, 2014 and published on pages 80952 to 80956 of the Journal for such date) and under provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1 et. seq (as amended, the "**Act**"), the City Council (i) approved a certain redevelopment plan and project (the "**Redevelopment Plan**") for a portion of

the City known as the "47th and King Drive Redevelopment Project Area" (the "**Redevelopment Area**"); (ii) designated the Redevelopment Area as a "redevelopment project area" within the requirements of the Act and (iii) adopted tax increment financing for the Redevelopment Area (the "**Adoption Ordinance**"); and

WHEREAS, the City is the owner of four vacant parcels of land (collectively, the "**Property**"), located at the SW corner of 43rd Street and Calumet Avenue, in Chicago, Illinois 60624, as legally described on **Exhibit B** attached hereto, which includes the common addresses of 4310—14 Calumet Avenue and 321 E. 43rd Street; and

WHEREAS, the Property is located within the Redevelopment Area; and

WHEREAS, the initial appraised value of the Property, as cited in the CDC Resolution (as defined below), was approximately \$566,698, based upon an opinion of value stated in a market study dated May 10, 2021; and

WHEREAS, the Borrower has submitted a proposal to DOH to acquire the Property for \$1 per parcel in order to construct the Project (as hereinafter defined); and

WHEREAS, the Borrower intends to redevelop the Property by constructing a building that will contain ninety-nine (99) residential units that will include studio units, one-bedroom units and two—bedroom units and associated amenities such as on-site laundry, fitness center and outdoor terraces, along with approximately 5,000 square feet of ground floor commercial space (as more particularly described in **Exhibit A** hereto, the "**Project**"); and

WHEREAS, the Project is consistent with the purposes and objectives of the Redevelopment Plan; and

WHEREAS, the Borrower and 43 Green JV LLC, a Delaware limited liability company ("**JV**") in association with GHI and P3 Markets (collectively the "**Developer**") have agreed to undertake the Project and redevelop the Property in accordance with the Redevelopment Plan and pursuant to the terms and conditions of a redevelopment agreement in substantially the form attached hereto as **Exhibit C** (the "**Redevelopment Agreement**"); and

WHEREAS, the redevelopment of the Property, including but not limited to the construction of the Project's facilities, will be financed in part by incremental taxes deposited in the 47th/King Drive Redevelopment Project Area Special Tax Allocation Fund (as defined in the Adoption Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act; and

WHEREAS, Borrower and JV are each affiliates of Habitat Company, an Illinois limited liability company ("**Habitat**") and P3 Markets; and

WHEREAS, pursuant to Resolution 21-CDC-21 adopted on June 8, 2021 (the "**CDC Resolution**"), the CDC authorized DOH to advertise the City's intent to negotiate the sale and redevelopment of the Property with Habitat, together with its affiliates, and P3 Markets together with its affiliates (collectively, the "**Joint Venture**") and to request alternative proposals, and recommended the sale of the Property to the Joint Venture and the designation of the Joint Venture as the developer of the Property if no responsive alternative proposals were received at the conclusion of the advertising period, or, if alternative proposals were received, if DOH determined in its sole discretion that the Joint Venture's project was the best proposal; and

WHEREAS, public notices advertising DOH's intent to enter into a negotiated sale of the Property with the Developer and requesting alternative proposals appeared in the *Chicago Tribune* on June 11, June 18, June 25, and July 2, 2021; and

WHEREAS, upon completion of a final appraisal dated May 21, 2021, the Property was determined to have an appraised value of approximately \$815,565; and

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

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. Upon the approval and availability of the Additional Financing as shown in Exhibit A hereto, the Commissioner of DOH (the "**Commissioner**") and a designee of the Commissioner (collectively, the "**Authorized Officer**") are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loan. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 3. Developer is hereby designated as the developer for the Project under Section 5/11-74.4-4 of the Act.

SECTION 4. The sale of the Property to the Developer for \$1.00 per parcel is hereby approved. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer. The Authorized Officer is 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 Authorized Officer.

SECTION 5. The Mayor or her proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, one or more quitclaim deeds conveying the Property to the Developer, subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

SECTION 6. 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 control. 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 2-44-080 of the Municipal Code of Chicago shall not apply to the Project or the Property.

SECTION 7. This ordinance shall be effective as of the date of its passage and approval.

APPROVED


CORPORATION COUNSEL

DATED: 9/20/21

APPROVED


MAYOR

DATED: 9/20/21

EXHIBIT A

BORROWER:	43 rd and Calumet Phase I Limited Partnership, a Delaware limited partnership (the " Borrower "), whose sole general partner is 43 rd and Calumet Phase I LLC, an Illinois limited liability company (the " General Partner "), the members of which General Partner will be (i) Habitat 43 Green LLC, an Illinois limited liability company (the " Managing Member ") and (ii) P3 Markets 43 Green LLC, an Illinois limited liability company (" GP Member "), and others to be hereafter selected as the limited partners. The members of Managing Member will be Habitat Acquisitions Company LLC (" Acquisitions ") and Generations Housing Initiatives, an Illinois not-for-profit corporation (" GHI ").		
PROJECT:	Construction of a building at the southwest corner of 43 rd Street and Calumet Avenue, Chicago IL 60653 with an aggregate of approximately 99 residential dwelling units containing studio, one- and two- bedroom units, approximately 51 of which are reserved for low- and moderate-income persons, together with certain common space, offices, and parking.		
LOAN:	Source:	Multi-Family Program Funds. These funds may be disbursed directly to Borrower or to GHI, and then loaned or contributed to Borrower by GHI.	
	Amount:	Not to exceed \$3,000,000	
	Term:	Not to exceed 30 years	
	Interest:	Zero percent per annum, or another interest rate acceptable to the Authorized Officer	
	Security:	Non-recourse loan; second mortgage on the Property (the " City Mortgage ")	
ADDITIONAL FINANCING:	1.	Amount:	Not to exceed \$9,600,000 (the " Permanent Loan ")
		Term:	Not to exceed 30 months initially and 40 years after conversion to permanent loan, or another term acceptable to the Authorized Officer
		Source:	Bellwether Enterprise, or another entity acceptable to the Authorized Officer.
		Interest:	A fixed rate of interest with a maximum interest rate not to exceed 4% or the maximum which may be paid under Illinois State Law or another rate or rates acceptable to the Authorized Officer
		Security:	A mortgage on the Property senior to the lien of the City Mortgage, a pledge of capital contributions and general partner interests, and a pledge of the

Borrower interests in the Redevelopment Agreement, or such other security as may be acceptable to the Authorized Officer.

2. Amount: Not to exceed \$1,500,000 (the "**DCEO Grant**")
 Proceeds: Either funded directly to Borrower or to GHI, and
 then loaned or contributed to Borrower by GHI.
 Source: Grant from the State of Illinois Dept. of Commerce
 and Economic Opportunity ("**DCEO**"), or another
 entity acceptable to the Authorized Officer.
3. Amount: Approximately \$346,615 (the "**IAHTC Equity**")
 Proceeds: These funds shall be paid in upon Borrower's
 purchase of the City Property at Closing. These
 funds may be paid to Borrower or to GHI, and then
 loaned or contributed to Borrower by GHI.
 Source: Equity to be derived from the syndication of an
 annual allocation of Illinois Affordable Housing Tax
 Credits ("**IAHTC Equity**") based on the purchase of
 City Land, fifty percent of which or \$407,783 is
 viewed as a donation sold as IAHTC Donation Tax
 Credits to generate the IAHTC Equity.
4. Amount Approximately \$18,328,167
 Proceeds: All or a portion of these funds may be (i) paid in on
 a delayed basis and (ii) used to retire a portion of
 the Construction Loan or the LIHTC Equity Bridge
 Loan.
 Source: Equity to be derived from the syndication of an
 annual Low-Income Housing Tax Credit ("**LIHTC**")
 allocation of approximately \$1,950,000 by the City.
5. Amount: Not to exceed \$5,000,000
 Proceeds: Funds will be made available during the
 Construction Period either directly to Borrower or to
 GHI, and then loaned or contributed to Borrower by
 GHI
 Source: Proceeds from a grant of Tax Increment Financing,
 all of which will be disbursed during three periodic
 payments during the construction period.
6. Amount. Approximately \$530,000
 Source: Deferred Developer Fee
7. Amount. \$10,100
 Source: General Partner

EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

(SUBJECT TO FINAL TITLE AND SURVEY)

Lots 1 through 5, both inclusive, in the Subdivision of Lots 25 to 28 inclusive in Honore's Subdivision of part of the Northeast 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 3, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Also

Lots 29 through 32, both inclusive, in H. H. Honore's Subdivision of part of the Northeast 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 3, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PINS: 20-03-304-024-0000
 20-03-304-025-0000
 20-03-304-026-0000
 20-03-304-044-0000

Addresses: 321 E. 43rd Street
 4310-14 South Calumet Avenue
 Chicago, Illinois 60653

EXHIBIT C

FORM OF REDEVELOPMENT AGREEMENT

(SEE ATTACHED)

[leave blank 3" x 5" space for recorder's office]

This agreement was prepared by and
after recording return to:
Randall Johnson, Esq.
Senior Assistant Corporation Counsel
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

43 GREEN—PHASE I REDEVELOPMENT AGREEMENT

This 43 Green—Phase I Redevelopment Agreement (this "**Agreement**") is made as of this _____ day of _____, 2021, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), 43rd and Calumet Phase I LP, a Delaware Limited Partnership (the "**Developer**"), 43 Green JV, LLC, a Delaware limited liability company ("**GP Manager**") and Generations Housing Initiatives, an Illinois not-for-profit ("**Generations**" or the "**Habitat NFP**"). The Developer, GP Manager and Generations may collectively be referred to hereinafter as the "**Developer Parties**".

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "**Act**"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on March 27, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th and King Drive Redevelopment Project Area" (the "**Plan Adoption Ordinance**"); (2) "An Ordinance of the City of Chicago, Illinois Designating the 47th and King Drive Redevelopment Project Area Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 47th and King Drive Redevelopment Project Area Redevelopment Project Area" (the "**TIF Adoption Ordinance**") (items(1)-(3) collectively referred to herein as the "**TIF Ordinances**"). The redevelopment project area referred to above (the "**Redevelopment Area**") is legally described in **Exhibit A** hereto.

D. The Project: Developer intends to purchase (the "**Acquisition**") certain property located within the Redevelopment Area at the southwest corner of 43rd Street and Calumet Avenue with the following common addresses: 312 East 43rd Street, 4310 South Calumet Avenue, 4312 South Calumet Avenue and 4314 South Calumet Avenue, Chicago, Illinois 60653 and legally described on **Exhibit B** hereto (the "**Property**"). All of the Property is currently owned by the City. Developer, within the time frames set forth in **Section 3.01** hereof, shall commence and complete construction of an approximately ten (10) story precast concrete building that will contain a total of approximately 97,292 square feet and include (i) approximately ninety-nine (99) studio, one, and two bedroom residential apartment dwellings for market rate residents and those earning up to fifty percent (50%) and sixty percent (60%) of area median income (AMI) (60%); (ii) approximately five-thousand (5,000) square feet of ground floor retail space and (iii) related residential amenities such as (a.) fitness center, (b.) community room with kitchen, (c.) residential lobby, (d.) outdoor terrace, (e.) outdoor green space, (f.) 24 surface parking spaces and, (g.) bike and tenant storage, and (h.) laundry (the "**Facility**") thereon. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibit C**) are collectively referred to herein as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago 47th/King Drive Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project" (the "**Redevelopment Plan**") included in the Plan Adoption Ordinance and published with the Plan Adoption Ordinance at pages 81231- 81457 of the Journal of the Proceedings of the City Council.

F. City Financing: The City agrees to use, in the amounts set forth in **Section 4.03** hereof, Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary,

define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Redevelopment Area
2. Definitions	B *Property
3. The Project	C *TIF-Funded Improvements
4. Financing	D [intentionally omitted]
5. Conditions Precedent	E Construction Contract
6. Agreements with Contractors	F Escrow Agreement
7. Completion of Construction or Rehabilitation	G *Permitted Liens
8. Covenants/Representations/Warranties of Developer	H-1 *Project Budget
9. Covenants/Representations/Warranties of the City	H-2 *MBE/WBE Budget
10. Developer's Employment Obligations	I Approved Prior Expenditures
11. Environmental Matters	J Opinion of Developer's Counsel
12. Insurance	K *Preliminary TIF Projection -- Real Estate Taxes
13. Indemnification	L Requisition Form [use if no escrow]
14. Maintaining Records/Right to Inspect	M *[intentionally omitted]
15. Defaults and Remedies	N Form of Subordination Agreement
16. Mortgaging of the Project	O Form of Payment Bond
17. Notice	P Investor Letter
18. Miscellaneous	(An asterisk (*) indicates which exhibits are to be recorded.)

SECTION 2. DEFINITIONS

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

"Act" shall have the meaning set forth in the Recitals hereof.

"Acquisition" shall have the meaning set forth in the Recitals hereof.

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

"AIS" shall have the meaning set forth in Section 3.13 hereof.

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the RDA during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of the RDA, the agreements

evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (**Section 8.06**); (2) compliance with the Jobs Covenant (**Section 8.06**); (3) delivery of Financial Statements and unaudited financial statements (**Section 8.13**); (4) delivery of updated insurance certificates, if applicable (**Section 8.14**); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.15**); (6) delivery of a substitute Letter of Credit, if applicable (**Section 8.15**); and (7) compliance with all other executory provisions of the RDA. **[NOTE: may add to this list any post-Certificate obligations unique to this RDA]**

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

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

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

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

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

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

"City Funds" shall mean the funds described in Section 4.03(b) hereof.

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

"Consultant's Report" shall have the meaning set forth in Section 8.27(a) hereof.

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

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

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, to be entered into between Developer and the General Contractor providing for construction of the Project.

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

"Deed" shall have the meaning set forth in Section 3.13(a) hereof.

"Developer Parties" shall mean the Developer, its Affiliates, and the respective officers, directors, trustees, employees, agents, successors and assigns of the Developer and its Affiliates.

"DTC Equity" approximately **[[[\$346,615 or _____]]]** to be derived from the syndication of approximately \$350,000 in Illinois Affordable Housing Tax Credits.

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

"**Employer(s)**" shall have the meaning set forth in Section 10 hereof.

"**Employment Plan**" shall have the meaning set forth in Section 5.12 hereof.

"**EMMA**" shall have the meaning set forth in Section 8.27(c) hereof.

"**Environmental Documents**" shall mean all reports, surveys, field data, correspondence and analytical results prepared by or for the Foundation (or otherwise obtained by the Foundation) regarding the condition of the Property or any portion thereof, including, without limitation, the SRP Documents.

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

"**Equity**" shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or [Section 4.03(b).]

"**Escrow**" shall mean the construction escrow established pursuant to the Escrow Agreement.

"**Escrow Agreement**" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by [the City,] the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s), substantially in the form of Exhibit F attached hereto.

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

"**Facility**" shall have the meaning set forth in the Recitals hereof.

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

"**Financial Statements**" shall mean complete audited financial statements of Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods

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

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

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

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

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"Indemnitee" and **"Indemnitees"** shall have the meanings set forth in Section 13.01 hereof.

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

"Lender Financing" shall mean funds borrowed by Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

"Losses," as used in Section 3.13 hereof, shall mean any and all debts, liens, claims, causes of action, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs and expenses (including, without limitation, reasonable attorney's fees and expenses, consultants' fees and expenses and court costs).

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

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

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

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

"MSRB" shall have the meaning set forth in Section 8.27(c) hereof

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

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

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

"OBM" shall have the meaning set forth in Section 8.27(c) hereof

"Phase I ESA" shall have the meaning set forth in Section 3.13(e) hereof.

"Phase II ESA" shall have the meaning set forth in Section 3.13(e).

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

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

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

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.05(a) hereof.

"Project" shall have the meaning set forth in the Recitals hereof.

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

"Property" shall have the meaning set forth in the Recitals hereof

"Purchase Price" shall have the meaning set forth in Section 3.13(a) hereof.

"RAP Approval Letter" shall have the meaning set forth in Section 3.13(e).

"REC(s)" shall have the meaning set forth in Section 3.13(e).

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

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

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

"Released Claims" shall have the meaning set forth in Section 3.13(g).

"Remediation Work" shall mean all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property in accordance with the terms and conditions of the SRP Documents, all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.

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

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

"SRP" shall mean the IEPA's Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

"SRP Documents" shall mean all documents submitted to the IEPA under the SRP program, as amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the Remedial Action Plan, and the Remedial Action Completion Report.

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

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

"Term of the Agreement" shall mean the period of time commencing]on the Closing Date and ending on the later of: (a) [any date to which DPD and Developer have agreed] or (b) the date on which the Redevelopment Area is no longer in effect (through and including [[March 27, 2025 or December 31, 2026]]) [Note: the date will be either the 23rd anniversary of the date of the adoption of the TIF Ordinances, or if the Redevelopment Plan provides, December 31st of the year succeeding the year in which the 23rd anniversary occurs.]

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

"TIF Bonds" shall have the meaning set forth in the Recitals hereof, if any.

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

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

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

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

"Title Commitment" shall have the meaning set forth in Section 3.13(b) hereof.

"Title Company" shall mean Chicago Title Insurance Company.

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

"USTs" shall have the meaning set forth in Section 3.13(f).

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than ~~[[[~~ November 15, 2021; (ii) receive a partial Certificate of Occupancy no later than December 15, 2022; and (iii) complete construction and conduct business operations therein no later than April 30, 2023 or June 30, 2023~~]]]~~.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. Developer shall submit all

necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Thirty-Eight Million and No/100 Dollars (\$38,000,000). Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project. Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the **[[construction of the]]** Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of **[[the Project or Developer Space]]** by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of **[[the Project or Developer Space]]** to a use other than as described in Recital D to this Agreement; (c) a delay in the completion of the **[[construction of the]]** Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

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

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project [hereunder] [pursuant to the Escrow Agreement.] DPD may, in its sole discretion, use the inspecting architect employed by any lender as the inspecting agent or architect.

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

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

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

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

3.13 Conveyance of Property from City to Developer. The following provisions shall govern the City's conveyance of the Property to Developer:

(a) Form of Deed. The City shall convey the Property to Developer by quitclaim deed (the "**Deed**") for the sum of Four Dollars (or One Dollar per parcel) ("**Purchase Price**"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:

- (i) the Redevelopment Plan,
- (ii) the standard exceptions in an ALTA title insurance policy;

- (iii) all general real estate taxes and any special assessments or other taxes;
- (iv) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (v) such other title defects as may exist; and
- (vi) any and all exceptions caused by the acts of the Developer or its agents.

The Developer and the City acknowledge and agree that the fair market value of the Property exceeds the Purchase Price and that the City has only agreed to convey the Property to Developer for the Purchase Price because the Developer has agreed to execute this Agreement and comply with its terms and conditions.

(b) Title and Survey. The Developer shall, no later than thirty (30) days prior to the Closing Date obtain at its expense and deliver to the City a Survey of the Property and a commitment for an owner's policy of title insurance issued by the Title Company (the "**Title Commitment**") in an amount not less than the fair market value of 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 the Title Policy and any endorsements. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect to the Property or liens for such unpaid property taxes, the City shall, as applicable, request that the County void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or file a tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing same, the Property remains subject to any 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, as its sole remedy, have the option to either (i) proceed with the purchase subject to all defects and exceptions, or (ii) terminate this Agreement, whereupon this Agreement shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder with respect to the Property. If the Developer elects not to terminate this Agreement, the Developer agrees to accept title subject to all exceptions.

(c) Closing. The conveyance of the Property shall take place on the Closing Date at the downtown offices of the Title Company or such other place as the parties may mutually agree upon in writing; provided, however, in no event shall the closing of the Property conveyance occur unless the Developer has satisfied all conditions precedent set forth in this Agreement, unless DOH, in its sole discretion, waives such conditions. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement. The City will not provide a gap undertaking. The Developer shall pay to record the Deed and any other documents incident to the conveyance of the Property to the Developer. In the event the Developer requires conveyance through an escrow, Developer shall pay all escrow fees.

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

(e) Environmental Due Diligence.

(i) Prior to the Closing Date, the Developer shall perform a Phase I environmental site assessment of the Property in accordance with the requirements of the ASTM E 1527-13 standard ("**Phase I ESA**"). The City's Department of Assets, Information and Services ("**AIS**") shall have the right to review and approve the sufficiency of the Phase I ESA for the purpose of determining whether any environmental or health risks would be associated with the development of the Project. Upon AIS's request, the Developer shall perform additional studies and tests, including, without limitation, updating or expanding the Phase I ESA. If the Phase I ESA identifies any Recognized Environmental Condition(s) ("**REC(s)**"), the Developer shall perform a Phase II Environmental Site Assessment ("**Phase II ESA**"). If the Phase II ESA discloses the presence of contaminants exceeding applicable remediation objectives, the Developer shall enroll the Property in the IEPA's SRP and thereafter take all necessary and proper steps to obtain written approval from the IEPA of a Remedial Action Plan ("**RAP Approval Letter**"). The Developer acknowledges and agrees that the Closing will not occur, and it may not commence construction, until the IEPA issues, and AIS approves, the RAP Approval Letter for the Property. In the event the remediation is not completed prior to the Closing, the Deed shall include a covenant obligating the grantee to remediate the Property in accordance with the terms of this Section 3.13(e). The City shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer's estimate of the cost to perform the Remediation Work.

(ii) The City shall grant the Developer the right, at its sole cost and expense, to enter the Property to perform the Phase I ESA and any other surveys, environmental assessments, soil tests and other due diligence it deems necessary or desirable to satisfy itself as to the condition of the Property. The obligation of the Developer to purchase the Property is conditioned upon the Developer being satisfied with the condition of the Property. If the Developer determines that it is not satisfied, in its sole and absolute discretion, with the condition of the Property, it may terminate this Agreement by written notice to the City any time prior to the Closing Date, whereupon this Agreement shall be null

and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder with respect to the Property. If the Developer elects not to terminate this Agreement pursuant to this Section 3.13(e)(ii), the Developer shall be deemed satisfied with the condition of the Property.

(f) Environmental Remediation. Upon receipt of the RAP Approval Letter for the Property, the Developer covenants and agrees to complete all Remediation Work necessary to obtain a Final NFR Letter using all reasonable means. The Developer shall cooperate and consult with the City at all relevant times (and in all cases upon the City's request) with respect to environmental matters. The Developer shall bear sole responsibility for all aspects of the Remediation Work including, but not limited to, the removal of pre-existing building foundations, soil exceeding residential (or commercial, as applicable) remediation objectives as determined by 35 Ill. Adm. Code Part 742, demolition debris, and the removal or treatment of Hazardous Materials. In addition, the Developer shall remove and close any identified underground storage tanks ("USTs") in accordance with applicable regulations, including 41 Ill. Adm. Code Part 175, and shall properly address any identified leaking USTs in accordance with 35 Ill. Adm. Code Part 734. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees that the City will not issue a Certificate of Occupancy for the Property until the IEPA has issued, the City has approved, and the Developer has recorded with the Office of the Recorder of Deeds of Cook County, a Final NFR Letter for the Property, which approval shall not be unreasonably withheld. The Developer must abide by the terms and conditions of the Final NFR letter.

(g) Release and Indemnification. The Developer, on behalf of itself and the Developer Parties, shall be deemed to release, relinquish and forever discharge the City, its officers, agents and employees, from and against any and all Losses which the Developer or any of the Developer Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the Closing Date, based upon, arising out of or in any way connected with, directly or indirectly (i) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Materials, or threatened release, emission or discharge of Hazardous Materials; (ii) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Materials in, on, under or about the Property or the migration of Hazardous Materials from or to the Property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under CERCLA, and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "**Released Claims**"). Furthermore, upon the Closing, the Developer shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the City and its officers, agents and employees harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the Developer Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

(h) Release Runs with the Land The covenant of release in Section 3.13(g) above shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer or any of the Developer Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer nor any of the Developer Parties will assert that those obligations must be satisfied in whole or in part by the City because Section 3.13(g) contains a full, complete and final release of all such claims.

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

(g) Survival. This Section 3.13 shall survive the Closing Date or any termination of this Agreement (regardless of the reason for such termination).

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be [[[\$38,504,863]]], to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections [4.03(b)] and 4.06</u>)	\$[19,525,863 (includes deferred developer fee)]
Lender Financing—Loans other than City Loan	\$[10,979,001(includes \$1.5MM of DCEO funds)]
Lender Financing—City Loan	\$[3,000,000 (CITY Loan—probably HOME)]
Estimated City Funds (subject to <u>Section 4.03</u>)	\$[5,000,000 (TIF Grant)]
ESTIMATED TOTAL	\$[38,504,863]

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs. Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Improvements.

4.03 City Funds

(a) Uses of City Funds City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes	\$5,000,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of Five Million and No/100 Dollars (\$5,000,000) or [Twelve and 9854/10000 percent ([12.9854%]) of the actual total Project costs; and provided further, that the \$5,000,000 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

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

(ii) The City has been reimbursed from Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements.

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$5,000,000 is contingent upon the fulfillment of the conditions set forth in Section 4.03(a) and Section 4.03(b). In the event that such conditions are not fulfilled, the amount of Equity to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) **INTENTIONALLY OMITTED**

(d) Retainage. The last disbursement of City Funds shall only be released upon completion of construction and issuance of the Certificate pursuant to Section 7.01.

4.04 Construction Escrow; Requisition Form. (a)]The City and Developer hereby agree to enter into the Escrow Agreement. All disbursements of Project funds [[(except for the Prior Expenditures, if any, and acquisition costs disbursed through a deed and money escrow at the closing)]] shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. [[(The City must

receive copies of, and retains the right to approve, any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement.]]]

(b) Along with the relevant draw request, upon completion of each of one-third of construction, two-thirds of construction and final completion, Developer shall also provide DPD with a Requisition Form, along with the documentation described therein. As set forth above, requisition for reimbursement of TIF-Funded Improvements shall be made not more than three times during construction of the Project and after at least each of (i) one-third of construction completion, (ii) two-thirds of construction completion and (iii) upon final completion. Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) INTENTIONALLY OMITTED.

(c) INTENTIONALLY OMITTED.

(d) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

(e) INTENTIONALLY OMITTED

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

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

(a) the total amount of the disbursement request represents the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

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

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens **[[or any liens that Developer bonds over]]**;

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("**In Balance**") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "**Available Project Funds**" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any [disbursement] [execution of a Certificate of Expenditure] by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer. In addition, Developer shall have satisfied all other preconditions of [disbursement of City Funds for each disbursement] [execution of a Certificate of Expenditure], including but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed **[[as set forth herein]]**.

4.09 INTENTIONALLY OMITTED.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Other Governmental Approvals. Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD.

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with other sources set forth in [Section 4.01]) to complete the Project. **Developer acknowledges that the City will be a party to any construction escrow agreement entered into by Developer regarding the Lender Financing.** Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (e.g. 3.1 with parking), contiguity, location, access and survey. Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

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

Jurisdiction	Searches
Secretary of State	UCC, Federal tax
Cook County Recorder	UCC, Fixtures, Federal tax, State tax, Memoranda of judgments
U.S. District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

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

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

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

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

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

5.12 Documentation; Employment Plan. The Developer has provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07. At least thirty (30) days prior to the Closing Date, the Developer has met with either (a) the Workforce Solutions division of DPD or (b) the manager of Project from DOH to review employment opportunities with the Developer during construction and after construction work on the Project is completed. On or before the Closing Date, Developer has provided to DPD or DOH, the Employment Plan for the Project (the "**Employment Plan**") which has been approved. The Employment Plan includes, without limitation, the Developer's estimates of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as DPD has requested relating to the Project. It is currently anticipated that one hundred twenty-five (125) construction related jobs will be created during the construction period and approximately twenty-five (25) permanent jobs will be created related to property management and in the commercial space that is part of the Project.

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

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its Articles or Certificate of Incorporation [or Organization, as applicable] containing the original certification of the Secretary of State of its state of incorporation [or organization, as applicable]; certificates of good standing from the Secretary of State of its state of incorporation [or organization, as applicable] and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation [or operating agreement of the limited liability company, as applicable]; and such other corporate documentation as the City has requested. [Note: may revise this section to refer to other appropriate organizational documents]

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

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, [and having an office located in,] the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof [If your transaction doesn't use the percentage formula for calculation of the amount of City Funds, delete (ii).] Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

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

Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors. Developer and City may agree on additional provisions]]]

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

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

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

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

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the construction of the Project in accordance with the terms of this Agreement [and after the final disbursement from the Escrow], and upon Developer's written request, DPD shall issue to Developer a Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the [construction/ rehabilitation] of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete such activities

have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.06, 8.19 and 8.24 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to [Section 18.15] of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

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

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

(c) the right to seek reimbursement of the City Funds from Developer.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

8.01 General. Developer, GP Manager and Generations each individually and collectively represent, warrant and covenant, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) (i) Developer is a Delaware limited partnership duly organized, validly existing, qualified to do business in its state of incorporation/organization and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required, (ii) GP Manager is a Delaware limited liability company duly organized, validly existing, qualified to do business in its state of incorporation/organization and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required, and (iii) Generations is an Illinois not-for-profit corporation duly organized,

validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required ;

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

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15 hereof)

(e) Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting Developer which would impair its ability to perform under this Agreement;

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

(h) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer is bound;

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

(j) prior to the issuance of a Certificate, Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business, (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(k) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and [See Note to subsection (d) above.]

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

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

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

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

(p) Developer understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party are likely to be substantially less than the maximum amounts set forth in Section 4.03(b);

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except in accordance with the terms of Section 18.21 of this Agreement, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

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

8.02 Covenant to Redevelop Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, [the Bond Ordinance, the TIF Bond Ordinance], the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

8.04 Use of City Funds. City Funds disbursed to Developer shall be used by Developer solely to pay for (or to reimburse Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "Bonds"); provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Job Creation and Retention; Covenant to Remain in the City. ~~[[[Not less than OR It is currently anticipated that]]]~~ one hundred twenty-five (125) full-time equivalent, construction related jobs will be created by Developer during the construction period; and ~~[[[not less OR approximately twenty-five]]]~~ additional ~~[[[full-time and/or part-time]]]~~ equivalent, permanent jobs related to management of the Facility and/or jobs at the commercial space that is part of the Facility shall be created by Developer within one (1) year of completion of the Project. The full-time equivalent, permanent jobs shall be retained by Developer through the Term of the Agreement.

The covenants set forth in this Section shall run with the land and be binding upon any transferee

8.07. Employment Opportunity; Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof Developer shall deliver

to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is [[[25%, 50%, 70% OR one-thirds, two-thirds]]] and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer shall correct any shortfall.

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

8.09. Prevailing Wage. Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the federal government pursuant to the Davis-Bacon Act, to all their respective employees working on constructing the Project or otherwise completing the TIFoFunder Improvements. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If federal prevailing wage rates are revised, the revised rates shall apply to all such contracts. Upon the City's request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

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

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

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

8.13. Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2020 and each year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14. Insurance. Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

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

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

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

8.16 Developer's Liabilities. Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. [This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing.] [Note: If this Agreement is not recorded first, a subordination agreement will have to be prepared and executed.] Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall

immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

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

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any,

including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

[(c)] Real Estate Taxes. Except as otherwise approved in writing by the City in connection with an application for a Class 9 tax classification incentive (the "**Class 9 Incentive**") applied for by Developer as such Class 9 incentive has been established by the Cook County Property Tax Incentive Assessment Classification Ordinance (the "**Classification Ordinance**") applied for by Developer pursuant to the Classification Ordinance, Developer shall conduct itself with respect to the Property pursuant to the restrictions set forth below.

(i) Acknowledgment of Real Estate Taxes. Developer agrees that (A) for the purpose of this Agreement, the [total projected] minimum assessed value of the Property [that is necessary to support the debt service indicated] ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K; [note: if you are drafting an agreement for a pay as you go transaction, there will be no debt service now, and Exhibit K will be used to allow the parties to estimate future increment and as the exhibit for (iii) below. Also, may need Exhibit K in case bonds related to the project are issued in the future] (B) Exhibit K sets forth the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon [NOTE: Exhibit K does not often set forth specific improvements, so this may need to be modified for each transaction]; and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit K.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect

(iii) No Reduction in Real Estate Taxes. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit K for the applicable year.

(iv) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the Minimum Assessed Value as shown in Exhibit K.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.19(c).]]]]]

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

8.20. Annual Report(s). Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

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

8.22 **[INTENTIONALLY OMITTED]**

8.23. FOIA and Local Records Act Compliance.

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

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

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

8.24 Affordable Housing Covenant. Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of that certain Regulatory Agreement executed by Developer and DPD as of the date hereof shall govern the terms of Developer's obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Facility shall be operated and maintained solely as residential rental housing for Low Income Families (as defined below) **[[which Facility includes commercial space as set forth in the recitals herein]]**;

(b) **[[[Except for residential units for market rate tenants as agreed upon by the City in the final construction approval]]]**, all of the units in the Facility shall be available for occupancy to and be occupied solely by families qualifying as Low Income Families (as defined below) upon initial occupancy; and

(c) All of the units in the Facility for Low Income Families has monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(d) As used in this Section 8.25, the following terms has the following meanings:

(i) "Family" shall mean one or more individuals, whether or not related by blood or marriage; and

(ii). "Low Income Families" shall mean Families whose annual income does not exceed **[[[sixty (60%)]]]** of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by

the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

(e) The covenants set forth in this Section 8.25 shall run with the land and be binding upon any transferee

(f) The City and Developer may enter into a separate agreement to implement the provisions of this Section 8.25.]

[[[8.25 Job Readiness Program. Developer shall undertake a job readiness program, as described in [Exhibit] hereto, to work with the City, through the Mayor's Office of Workforce Development, to participate in job training programs to provide job applicants for the jobs created by the Project and the Developer's operation of the Facility.]]]

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

[[[- this section may be removed upon agreement of the parties [8.27] Continuing Information Agreement. The Developer covenants and agrees as follows:

(a) For each tax collection year following the date the Certificate is issued pursuant to Section 7.01 hereof, the Developer shall engage a recognized financial consultant to prepare an annual continuing information report (the "Consultant's Report") that sets forth as of its date the following information:

(i) a description of the Redevelopment Area, including all redevelopment agreements relating to the Redevelopment Area;

(ii) a description of the Project;

(iii) a status update of the Project, including information on construction, occupancy, leasing or sales, as applicable,

(iv) a listing of the top ten taxpayers in the Redevelopment Area; and

(v) for the property within the Redevelopment Area from which incremental taxes will be used to pay the City Note(s), by tax codes or PINs, as applicable, for the last five collection years:

(A) the equalized assessed value;

- (B) the initial equalized assessed value;
- (C) the incremental equalized assessed value;
- (D) the composite tax rates;
- (E) the available incremental taxes;
- (F) the debt service of the City Note(s); and
- (G) the debt service coverage ratio.

(b) The Consultant's Report shall be signed by the consultant and available to the Developer no later than February 1 following each tax collection year. If the Developer fails to obtain the Consultant's report by the date required, DPD may engage its own financial consultant to prepare the report and the cost thereof shall be reimbursed to the City from monies available in the TIF Fund.

(c) Each Consultant's Report shall include in a prominent place the following disclaimer:

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

(d) If any Consultant's Report contains projections, the consultant shall consider the publicly available TIF-wide projections from the OBM and provide an explanation as to the discrepancy, if any, between the consultant's projections and those of OBM. In addition, the consultant shall state in the Consultants Report all assumptions used in formulating the projections.

(e) The Developer shall cause the following documents to be disseminated through the Electronic Municipal Market Access ("EMMA") system for municipal securities disclosure maintained by the Municipal Securities Rulemaking Board (the "MSRB") or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended:

(i) Within five (5) days of the issuance of the Certificate:

- (A) The Redevelopment Agreement, including the specimen of the City Note;
- (B) The original feasibility study delivered to DPD; and

(C) On the date of the closing of any third party sale of the City Note or any beneficial interests therein by the Developer: the private placement or limited offering memorandum used by or on behalf of the Developer in connection with the sale.

(ii) By February 15 of each year:

(A) All redevelopment agreements with respect to the Redevelopment Area that have been made publicly available by DPD;

(B) Annual financial statements of the Redevelopment Area that have been made publicly available by DPD; and

(C) The Consultant's Report.

(f) The Developer shall deliver to DPD each of the documents set forth in subparagraph (e) above on the date such documents are disseminated through EMMA.

(g) The Developer shall be responsible to pay or make provision for all costs and expenses relating to Developer's obligations hereunder, including but not limited to the fees and expenses of the Consultant and the costs of filing with EMMA. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses.]]]

8 28. Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01. Employment Opportunity. Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Property (collectively, with Developer, the "Employers" and individually an AEmployer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined

in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof.

10.02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor shall be

required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

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

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

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

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

At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification

of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

Nothing herein provided shall be construed to be a limitation upon the Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246 " and Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

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

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

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

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code, Developer shall not

substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

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

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code, as applicable.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

11.01 Environmental Site Assessment. Developer represents and warrants to the City that Developer has obtained a Phase I environmental site assessment of the Property in accordance with the requirements of the ASTM E1527-13 standard, and has furnished a copy of the Phase I report to AIS. If the Phase I report identifies any recognized environmental conditions ("RECs"), Developer shall perform a Phase II environmental site assessment of the Property for the purpose of determining whether any environmental or health risks would be associated with the development of the Project. If the Phase II report discloses the presence of contaminants exceeding TACO Tier I residential remediation objectives on or under the Property, Developer shall enroll the Property in the IEPA's SRP Program and take all necessary steps to obtain a letter from the IEPA approving a Remedial Action Plan ("**RAP Approval Letter**"). Unless AIS determines, in its sole discretion, that it is not necessary to enroll the Property in the SRP, Developer acknowledges and agrees that it may not commence construction on the Property, and the City will not make any payments to Developer of City Funds, until the IEPA issues and AIS approves the RAP Approval Letter.

11.02 Environmental Remediation. If the Property does not meet TACO Tier I residential remediation objectives as determined pursuant to **Section 11.01** above and, following their review of the Phase II, the City provides the first installment of the City Funds and Developer maintains its intent to undertake the Project, the Developer shall complete all Environmental Remediation Work necessary to obtain a Final NFR Letter, including, without limitation, preparing and submitting a Remedial Action Completion Report to the IEPA. The Developer shall continuously and diligently pursue the Final NFR Letter using all reasonable means. The Developer acknowledges and agrees that the City will not issue a Certificate until the IEPA has issued, and DOE has approved, a Final NFR Letter for the Property, unless DOE has previously determined that it was not necessary to enroll the Property in the SRP. The City shall have the right to approve any changes or modifications to the Remediation Objectives Report, Remedial Action Plan, Remedial Action Completion Report or other documents submitted to the IEPA in connection with the Draft NFR Letter or Final NFR Letter, which approval shall not be unreasonably withheld. The Developer shall bear sole responsibility for completing all aspects of the Environmental Remediation Work and any other investigative and cleanup costs associated with the Property and any improvements, facilities or operations located or formerly located thereon, including, without limitation, the removal and disposal of all Hazardous Substances, debris and other materials excavated during the performance of the Environmental Remediation Work or construction of the Project. The Developer shall promptly transmit to the City copies of any written communications received from the IEPA or other regulatory agencies with respect to the Environmental Remediation Work.

11.03 AAS IS@ SALE. THE DEVELOPER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. THE DEVELOPER AGREES TO ACCEPT THE PROPERTY IN ITS AAS IS,@ AWHERE IS@ AND AWITH ALL FAULTS@ CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT

THERE TO. THE DEVELOPER AGREES THAT IT IS THE DEVELOPER=S SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

11.04 Release and Indemnification. Without limiting any other provisions hereof, the Developer, for itself and its successors and assigns, hereby completely and forever waives, releases and discharges the Indemnitees from and against any and all Losses, whether direct or indirect, known or unknown, foreseen or unforeseen, now existing or occurring after the Closing Date, and regardless of whether caused by or within the control of the Developer, based upon, arising out of, or related to: (a) Developer=s failure to perform the Environmental Remediation Work (if applicable); (b) any environmental contamination, pollution or hazards associated with all or any portion of the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, the presence or suspected presence of Hazardous Substances in, on, under or about the Property, or the escape, seepage, leakage, spillage, release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances associated with all or any portion of the Property, or threatened release, emission or discharge of Hazardous Substances from all or any portion of the Property; (c) the structural, physical or environmental condition of the Property; and (d) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (e) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "**Released Claims**"). Furthermore, the Developer shall defend, indemnify, and hold the Indemnitees harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

11.05 Release Runs with the Land. The covenant of release in **Section 11.04** shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to MHL. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer, or its successors or assigns, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer, nor its successors or assigns, will assert that those obligations must be satisfied in whole or in part by the City because **Section 11.04** contains a full, complete and final release of all such claims.

11.06 Survival. This **Section 11** shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

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

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) Professional Liability

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

(vii) Valuable Papers

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

(i) All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided

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

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

Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by Developer under the Agreement.

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

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

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

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

SECTION 13. INDEMNIFICATION

13.01. General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnities") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnities in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnities in any manner relating or arising out of:

(i) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, including, but not limited to, Section 8.27; or

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

(iii) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result

of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

(iv) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01. Books and Records. Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

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

SECTION 15. DEFAULT AND REMEDIES

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

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

(b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) the entry of any judgment or order against Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period;

(i) the dissolution of Developer ~~[[[or the death of any natural person who owns a material interest in Developer]]]~~;

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

(k) prior to the [issuance of the Certificate] [expiration of the Term of the Agreement] [some other time period], the sale or transfer of [all] [a majority] [some other percentage] of the ownership interests of Developer without the prior written consent of the City; or

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

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

15.02 Remedies Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid, [and/or] seek reimbursement of any City Funds paid [and/or draw down up to the entire balance of the Letter of Credit as set forth in this Section 15.02 below]. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein. Upon the occurrence of an Event of Default under Section 8.06, Developer shall be obligated to repay to the City all previously disbursed City Funds [In addition to other instances set forth in this Agreement, the City may draw on the Letter of Credit if Developer defaults under the Jobs Covenant and/or Operating Covenant as set forth in Section 8.06 subject, in the case of the Jobs Covenant, to the single cure period, if applicable, described in Section 8.06(c).]

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; and provided, further, that there shall be no cure period under this Section 15.03 with respect to Developer's failure to comply with any requirement hereunder for which an additional cure period (aside from that provided in this Section 15.03) is provided (e.g. See Section 8.06?).

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the AExisting Mortgages." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a ANew Mortgage." Any New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this

Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of ADeveloper" hereunder [Note: in a transaction where a City Note is issued, confirm with DPD whether the assignee can receive payments under the City Note without additional City consent]; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

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

If to the City: City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner	If to Developer: 43 rd and Calumet Phase I LP c/o The Habitat Company 350 W. Hubbard St., Suite 500 Chicago, IL 60654 Attention: _____
With Copies To: City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division	With Copies To: Katten Muchin Rosenman LLP 525 W. Monroe St., Suite ____ Chicago, IL 60661 Attention: David Cohen, Partner

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "Amaterial" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than [ninety (90)] days.

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05 Waiver. Waiver by the City or Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18.08 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

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

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances and/or the [the Bond Ordinance, if any,] such ordinance(s) shall prevail and control

18.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

18.12 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

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

18.14 Assignment. Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to [Sections 8.19 [Real Estate Provisions] and 8.23] (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 Binding Effect. This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.16 Force Majeure. Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage

of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

18.19 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code)(a "Financial Interest"), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

[Note: Insert the following section if a City Note is being issued]

18.21 Restrictions on Transfer. The City Note(s) may only be offered, sold, pledged or otherwise transferred in principal amounts of not less than \$100,000 and only to (a) an institutional "accredited investor" within the meaning of rule 501(a) (1), (2), (3) or (7) under the Securities Act of 1933 (the "Securities Act") that delivers to the City an Investor Letter in the form of Exhibit P hereto, or (b) a person (other than a dealer) who the seller reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A(a)(1) of the Securities Act. Any holder of the City Note(s) is required to notify any purchaser of the City Note(s) of the resale restrictions referred to above. Notwithstanding the forgoing, if any transfer of the City Note(s) is to a dealer meeting the requirements of Section 144A(a)(1)(ii) or (iii), such dealer shall deliver to the City an Investor Letter with the modifications set forth on the Exhibit P.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

CITY OF CHICAGO

By: _____
Maurice D. Cox, Commissioner,
Department of Planning and Development

43rd AND CALUMET PHASE I LP,
a Delaware Limited Partnership

By: 43rd AND CALUMET PHASE I, LLC,
an Illinois limited liability company
Its general partner

By: 43 GREEN JV LLC,
a Delaware limited liability company,
its Manager and sole member

By: HABITAT 43 GREEN LLC,
an Illinois limited liability company,
its Managing Member

By: HABITAT ACQUISITIONS COMPANY LLC,
an Illinois limited liability company,
its Manager

By: THE HABITAT COMPANY LLC,
an Illinois limited liability company,
its Manager

By: _____
Name: Daniel E. Levin
Title: Manager

GENERATIONS HOUSING INITIATIVES,
an Illinois not-for-profit corporation

By: _____
Name:
Title:

43 GREEN JV LLC,
a Delaware limited liability company

By: _____
Name:
Title:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____th day of _____, ____.

Notary Public

My Commission Expires _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Daniel E. Levin, personally known to me to be the Manager of The Habitat Company LLC, the manager of Habitat Acquisitions Company LLC, an Illinois limited liability company ("**Habitat Acquisitions**"), the Manager of Habitat 43 Green, LLC, an Illinois limited liability company ("**Habitat 43 Green**"), the managing member of 43 Green JV LLC, an Illinois limited liability company ("**43 Green JV**"), a Delaware limited liability company and the manager and sole member of 43rd and Calumet Phase I, LLC, an Illinois limited liability company (the "**General Partner**") and the general partner of 43rd and Calumet Phase I LP, a Delaware limited partnership (the "**Developer**"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the members of Habitat, Habitat Acquisitions, Parkside, on behalf of the General Partner, as the free and voluntary act of such person, and as the free and voluntary act and deed of the Rental Owner, for the uses and purposes therein set forth

GIVEN under my hand and official seal this ____ day of _____, ____.

Notary Public

My Commission Expires_____

(SEAL)

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that _____, personally known to me to be the _____ of Generations Housing Initiatives, an Illinois not-for-profit corporation ("**Generations**"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, s/he signed and delivered the said instrument, pursuant to authority given by the Board as the free and voluntary act of such person, and as the free and voluntary act and deed of Generations, for the uses and purposes therein set forth.

Given under my hand and official seal this ____ day of _____, 20__.

Notary Public

(SEAL)

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that _____, personally known to me to be the _____ of 43 Green JV, LLC, a Delaware limited liability company ion ("LAC"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, s/he signed and delivered the said instrument, pursuant to authority given by the Board as the free and voluntary act of such person, and as the free and voluntary act and deed of LAC, for the uses and purposes therein set forth.

Given under my hand and official seal this ____ day of _____, 20__.

Notary Public

(SEAL)

EXHIBIT A
REDEVELOPMENT AREA

EXHIBIT B

PROPERTY

[Subject to Survey and Title Insurance]

EXHIBIT C
TIF-FUNDED IMPROVEMENTS

Line Item

Cost

TIF ELIGIBLE COSTS BUDGET

HARD COSTS	PROJECT BUDGET	TIF ELIGIBLE EXPENSES
Net Residential Construction	\$21,247,308	\$5,473,307
Pre-cast Manufacturing	2,977,059	766,890
Hard Cost Adjustment	325,000	83,720
CTA Flagman & Winter Conditions	75,000	19,320
General Conditions	1,829,436	471,263
Insurance	665,260	
Bonding	228,222	
Overhead	0	
Profit	872,674	
Contingency@ 5%	1,414,720	364,432
TOTAL HARD COSTS	\$29,634,679	\$7,178,932

SOFT COSTS	PROJECT BUDGET	TIF ELIGIBLE EXPENSES
Environmental Remediation	\$74,435	\$74,435
TOTAL SOFT COSTS	\$74,435	\$74,435

*TOTAL

[Note: If the Amount listed on Schedule C exceeds the maximum amount of City assistance, add the footnote below stating that, notwithstanding the total of TIF-Funded Improvements, the assistance to be provided by the City is limited to [describe City assistance limit in Agreement, or refer to a Section number]. It can be useful to list all potential eligible costs on Exhibit C, even if in an aggregate amount greater than the City assistance, because it can produce a clear basis of authority for DPD to pay eligible costs up to the maximum assistance amount even if some of the specific line item amounts are lower than expected.]

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in **Section 4.03** and shall not exceed the lesser of [\$5,000,000 or 12.9854%] of the Project Budget

[[[The Budget above is approximate and may change by up to five percent (5%)]]].

EXHIBIT E
CONSTRUCTION CONTRACT

EXHIBIT F
ESCROW AGREEMENT

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any:

[To be completed by Developer's counsel, subject to City approval.]

EXHIBIT H-1
PROJECT BUDGET
PROJECT BUDGET

HARD COSTS	PROJECT BUDGET	AFFORDABLE ALLOCATION	MARKET RATE ALLOCATION
Net Residential Construction	\$21,247,308	\$10,946,613	\$10,300,695
Pre-cast Manufacturing	2,977,059	1,533,781	1,443,278
Hard Cost Adjustment	325,000	467,440	157,560
CFA Flagman & Winter Conditions	75,000	38,640	36,360
General Conditions	1,829,436	942,525	886,911
Insurance	665,260	342,742	322,518
Bonding	228,222	117,580	110,642
Overhead	0	0	0
Profit	872,674	449,602	423,072
Contingency@ 5%	1,414,220	728,864	685,856
TOTAL HARD COSTS	\$29,634,679	\$15,267,787	\$14,366,892

SOFT COSTS	PROJECT BUDGET	AFFORDABLE ALLOCATION	MARKET RATE ALLOCATION
FFE	305,000	157,135	147,864
Permit Fees	140,000	72,128	67,872
Permit Review Fees	79,649	41,034	38,612
Direct Developer Review	19,432	10,011	9,421
Testing During Construction	100,000	51,520	48,480
Streets	20,000	10,304	9,696
Parkway Tree Fee	15,000	7,728	7,272
Temporary Power	15,000	7,728	7,272
People's Gas	10,000	5,152	4,848
Utility Consultant	16,225	8,359	7,866
Utility Costs-ComEd	60,000	30,912	29,088
Construction Soft Cost Contingency	40,232	20,728	19,504
Environmental Remediation	74,435	38,349	36,086
Environmental Monitoring	131,000	67,491	63,509
LEED Commissioning Agent	45,800	23,596	22,204
IEPA Fees	20,000	10,304	9,696
Architect -Design & Supervision	1,286,020	667,710	628,310
Architect -Misc. & Reimbursables	12,000	6,182	5,818
Tie off Anchor Design	20,000	10,304	9,696
Geotechnical Analysis	26,000	13,395	12,605
Permit Expeditor	15,400	7,934	7,466
Plats & Surveys	10,000	5,152	4,848
PD Survey	5,750	2,962	2,788
Cost Certification/Audit	10,000	5,152	4,848
Legal Fees-Organizational	175,000	90,160	84,840
Legal Fees-Zoning	120,000	61,824	58,176
Legal Fees-Syndicator	50,000	25,760	24,240
TIF Consultant	30,000	15,456	14,544
Appraisal	10,000	5,152	4,848
Market Study	10,000	5,152	4,848
Phase I Environmental Report	2,250	1,159	1,091
Phase II Environmental Report	15,460	7,965	7,495
Title & Recording	58,225	29,998	28,227
Tax Credit Reservation Fee	109,733	56,535	53,199
Application Fees	42,000	21,638	20,362
Construction Points	175,000	90,160	84,840
Perm Loan Points	135,000	69,552	65,448
Construction Inspection	45,000	23,184	21,816
Legal Fees- Lender	100,000	51,520	48,480
Construction Period Interest	1,022,975	527,037	495,938
Other Lender Fees	122,500	63,112	59,388
Construction Period Insurance	63,080	32,499	30,581
Construction Period Taxes	25,000	12,880	12,120
Commercial Space Soft Costs	284,460	146,554	137,906
Other Construction Period	198,061	102,041	96,020
Leasing Personnel	35,000	18,032	16,968
Advertising	10,000	5,152	4,848
Model Units	10,000	5,152	4,848
Other Marketing & Leasing	15,000	7,728	7,272
Lease Up Reserve	64,350	33,153	31,197
Insurance Reserve	47,250	24,343	22,907
Real Estate Tax Reserve	50,000	25,760	24,240
Operating Reserve	1,200,000	618,240	581,760
Replacement Reserve	44,550	22,952	21,598
Developer Fee	1,457,350	750,827	706,523
Deferred Developer Fee	656,000	337,971	319,029
TOTAL SOFT COSTS	8,870,184	4,569,919	4,300,265
TOTAL PROJECT COSTS	38,870,184	19,837,706	18,667,158

[[[The Budget above is approximate and may change by up to five percent (5%)]]].

EXHIBIT H-2

MBE/WBE BUDGET

MBE/WBE ELIGIBLE COSTS

HARD COSTS	PROJECT BUDGET	MBE/WBE ELIGIBLE EXPENSES
Net Residential Construction	\$21,247,308	\$21,247,308
Pre-cast Manufacturing	2,977,059	0
Hard Cost Adjustment	325,000	325,000
CTA Flagman & Winter Conditions	75,000	75,000
General Conditions	1,829,436	1,829,436
Insurance	665,260	665,260
Bonding	228,222	228,222
Overhead	0	0
Profit	872,674	872,674
Contingency@ 5%	<u>1,414,720</u>	<u>0</u>
TOTAL HARD COSTS	\$29,634,679	\$25,242,900

EXHIBIT I
APPROVED PRIOR EXPENDITURES

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

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

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to _____, an [Illinois] _____ (the ADeveloper"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the _____ Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the ADocuments":

(a) _____ Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City");

[(b) the Escrow Agreement of even date herewith executed by Developer and the City;]

(c) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and

(d) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if Developer is not a corporation]; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

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

Based on the foregoing, it is our opinion that:

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

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

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

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

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

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge

after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

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

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

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

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

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

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

[Note: include a reference to the laws of the state of incorporation/organization of Developer, if other than Illinois.]

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

Very truly yours,

By _____
Name _____

EXHIBIT K

PRELIMINARY TIF PROJECTION -- REAL ESTATE TAXES

EXHIBIT L
REQUISITION FORM

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The affiant, _____ of _____, a
_____ (the "Developer"), hereby certifies that with respect to that
certain _____ Redevelopment Agreement between Developer and the City of
Chicago dated _____, _____ (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$ _____, have been
made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-
Funded Improvements for the Project reimbursed by the City to date:

\$ _____

C. Developer requests reimbursement for the following cost of TIF-Funded
Improvements:

\$ _____

D. None of the costs referenced in paragraph C above have been previously
reimbursed by the City.

E. Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and
warranties contained in the Agreement are true and correct and Developer is in compliance with all
applicable covenants contained herein

2. No event of Default or condition or event which, with the giving of notice or
passage of time or both, would constitute an Event of Default, exists or has occurred.

All capitalized terms which are not defined herein has the meanings given such terms in the
Agreement.

[Developer]

By: _____

Name

Title: _____

Subscribed and sworn before me this ____ day of _____

My commission expires: _____

Agreed and accepted:

Name

Title: _____

City of Chicago

Department of Planning and Development

EXHIBIT M

FORM OF NOTE

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

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

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

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

REGISTERED
NO. R-1

MAXIMUM AMOUNT
\$ _____ 1

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO
TAX INCREMENT ALLOCATION REVENUE NOTE (_____
REDEVELOPMENT PROJECT), [TAXABLE] SERIES [A]

Registered Owner: [Developer]

Interest Rate: ___ per annum

Maturity Date: _____, _____ [no later than the earlier of (a) twenty years after the
issuance date, or (b) the date on which the Project Area is no longer
in effect]

I Or such lower amount determined in accordance with Section 4.03(b)

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$ _____² and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

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

This Note is issued by the City in the principal amount of [advances made from time to time by the Registered Owner] up to \$ _____ for the purpose of paying the costs of certain eligible redevelopment project costs incurred by _____ [INSERT NAME OF DEVELOPER] (the "Project"), which were [acquired], [constructed] and [installed] in connection with the development of an approximately [_____ acre/_____ square foot] site/building in the _____ Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment

² Or such lower amount determined in accordance with Section 4.03(b)

Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act") , the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on _____, _____ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND PRINCIPAL OF AND INTEREST ON THIS NOTE ARE PAYABLE SOLELY FROM ALLOCATED [AVAILABLE] INCREMENTAL TAXES ON DEPOSIT IN THE _____ ACCOUNT OF THE TIF FUND (AS DEFINED IN THE REDEVELOPMENT AGREEMENT) AFTER PAYMENT OF ALL OBLIGATIONS HAVING A PRIORITY OVER THIS NOTE, IF ANY. THE HOLDER OF THIS NOTE ACCEPTS THE RISK THAT THE AMOUNT OF ALLOCATED [AVAILABLE] INCREMENTAL TAXES MAY NOT BE SUFFICIENT TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE. The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

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

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

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

Pursuant to the Redevelopment Agreement dated as of [_____, ____] between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to [acquire] and [construct] the Project and to advance funds for the [construction of certain facilities] related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of \$[_____] shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to [suspend] [terminate] payments of principal of and interest on this Note upon the occurrence of certain conditions, [and the City has reserved the right to offset liquidated damage amounts owed to the City against the principal amount outstanding under this Note]. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer of this Note

In the event of a conflict between any provisions of this Note and the provisions of the Redevelopment Agreement, the Redevelopment Agreement shall prevail and control.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

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

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____.

Mayor

(SEAL)

Attest:

City Clerk

CERTIFICATE
OF
AUTHENTICATION

Registrar
and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the
within mentioned Ordinance and
is the Tax Increment Allocation
Revenue Note (_____
Redevelopment Project), [Taxable]
Series [A], of the City of
Chicago, Cook County, Illinois.

Comptroller

Date:

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

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

NOTEHOLDER RISKS

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

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

Loss of Investment

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

Lack of Liquidity

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

Reliance on Projections

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

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

Limited Obligations

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

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

Limited Information

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

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

Unavailability of City Funds

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

Risk of Failure to Maintain Levels of Assessed Valuation

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

There can be no assurance that the equalized assessed value of the Project property will remain the same throughout the term of the Note. Furthermore, the successful petition or application of any owner for the reduction of the assessed value of the Project property may cause the equalized assessed value of the [Property/Land/Project – USE THE RDA DEFINED TERM FOR

THE REAL PROPERTY] to be less than the originally projected equalized assessed value. If any time during the term of the Note the actual equalized assessed value is less than what was projected, the generation of Available Incremental Taxes for payment on the Note is likely to be significantly impaired.

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

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

Risk of Change in Incremental Taxes

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

1. Property tax rates are calculated by the Cook County Clerk for numerous funds of a number of taxing districts that tax all or part of the property in the Project Area. A reduction in the tax levies by the affected taxing districts may have an adverse effect on the Available Incremental Taxes.

2. Further changes may be made in the real property tax system by the State of Illinois or Cook County. Such changes could include various property tax rollbacks, abatements, exemptions, changes in the ratio of assessment, or relief measures, limitations on the amount or percent of increase in tax levies by taxing districts, or other measures that would limit the tax levy amount that could be extended to the property within the Project Area and, consequently, the projected Available Incremental Taxes generated. For example, if Illinois adopted practices used in other states, the property tax system could be changed so that schools would be financed from a source other than property taxes. This type of change could have a significant adverse effect upon Available Incremental Taxes.

3. Cook County's methodology and procedures used to assess the value of property may be altered resulting in a potentially reduced or altered valuation in a particular year or succession of years.

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

Changes in Multiplier and Tax Rate

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

Economic Risks Affecting Incremental Taxes

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

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

Failure to Sell or Lease Property

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

the Project Area. Such delay or reduction could lead to a default in payments of the principal of and interest on the Note.

Reliance on Primary Taxpayers

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

Force Majeure Conditions

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

Contiguous Project Areas

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

Risk of Delay in Payment

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

Delays in Exercising Remedies

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

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

Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion.

Risk of Transferee Becoming a Debtor in Bankruptcy

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

Loss of Tax Exemption

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

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

* * * * *

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT PRINCIPAL PAYMENT PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto [NAME OF ASSIGNEE] the within Note and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY:

ITS:

CITY OF CHICAGO
DEPARTMENT OF FINANCE

BY:

ITS:

CERTIFICATION OF EXPENDITURE

(Closing Date)

To: Registered Owner

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

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

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

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

CITY OF CHICAGO

By: _____

Commissioner
Department of Planning and Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT N

FORM OF SUBORDINATION AGREEMENT

[SAMPLE – UPDATE BASED ON SPECIFIC PROJECT]

This document prepared by and after recording return to:
_____, Esq.

City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

SUBORDINATION AGREEMENT

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

WITNESSETH:

WHEREAS, [Describe Project - use language form Recitals of Redevelopment agreement] the _____ an Illinois [limited liability company] (the ADeveloper"), has purchased certain property located within the _____ Redevelopment Project Area at _____, Chicago, Illinois _____ and legally described on the Exhibit hereto (the "Property"), in order to _____ located on the Property through the following activities: _____ (the "Project"); and

WHEREAS, [describe financing and security documents - leave blanks as necessary if you do not have financing documents - see example below] as part of obtaining financing for the Project, Developer and American National Bank and Trust Company of Chicago, as trustee under Trust Agreement dated November 19, 1996 and known as Trust No. 122332-01 (the ALand Trustee") (Developer and the Land Trustee collectively referred to herein as the ABorrower"), have entered into a certain Construction Loan Agreement dated as of December 29, 1997 with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$44,000,000 (the ALoan"), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the ANote"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated December 29, 1997 and recorded January 2, 1998 as document number 98001840 made by the Borrower to the Lender; and (ii) Assignment of Leases and Rents recorded January 2, 1998 as document number 98001841 made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the ALoan Documents"),

WHEREAS, Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the

"Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections [8.02, 8.06 and 8.19] [Note] Refer to Section 7.02 of the Agreement to confirm which covenants to list] of the Redevelopment Agreement (the "City Encumbrances");

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

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

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

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

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

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

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

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

If to the City: City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner	If to Developer: _____ _____ _____ Attention: _____
With Copies To: City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division	With Copies To: _____ _____ _____ Attention: _____

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

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

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

[LENDER], [a national banking association]

By:

Its: _____

CITY OF CHICAGO

By:

Its: _____ Commissioner,
Department of Planning and Development

ACKNOWLEDGED AND AGREED TO THIS

____ DAY OF _____, _____

[Developer], a _____

By:

Its:

Exhibit to Subordination Agreement – Legal Description

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such _____ Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

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

Notary Public

My Commission Expires

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ of [Lender], a _____, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

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

Notary Public

My Commission Expires

(SEAL)

EXHIBIT O
FORM OF PAYMENT BOND

EXHIBIT P

INVESTOR LETTER

_____, 20__

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

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

Ladies and Gentlemen:

The undersigned (the "Investor") is the acquirer of the above-described note (the "Note"). The undersigned acknowledges that the Note was issued by the City of Chicago (the "City") for the purpose of paying the costs of certain eligible redevelopment project costs incurred by [_____] (the "Developer") which were incurred in connection with the development of an approximately [_____] square foot [_____] (the "Project") in the [_____] Redevelopment Project Area (the "Redevelopment Area") in the City of Chicago.

The undersigned acknowledges that the Note was issued pursuant to an ordinance adopted by the City Council of the City on _____, 20__ (the "Project Ordinance") and the [_____] Redevelopment Agreement dated as of _____, 20__ and recorded on _____, 20__ as Document Number _____ in the Office of the Cook County Recorder of Deeds (the "Agreement") by and between the City and the Developer.

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

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

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

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

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

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

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

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

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

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

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

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

6 The Investor understands that (a) the Note is a limited obligation of the City, payable solely from moneys on deposit in the [] Account (as defined in the Project Ordinance); (b) the Note does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (c) no holder of the Note will have the right to compel the exercise of any taxing power of the City for payment of the principal of, or interest

premium, if any, on the Note; and (d) the Note does not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof.

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

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

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

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

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

Very truly yours,

[_____],

a[_____]

By: _____

Name: _____

Title: _____

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

NOTEHOLDER RISKS

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

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

Loss of Investment

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

Lack of Liquidity

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

Reliance on Projections

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

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

Limited Obligations

THE NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM THE AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM ONLY AGAINST SAID SOURCES. THE NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OR A

LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE NOTEHOLDER HAS NO RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THE NOTE.

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

Limited Information

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

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

Unavailability of City Funds

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

Risk of Failure to Maintain Levels of Assessed Valuation

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

Risk of Change in Available Incremental Taxes

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

1. Property tax rates are calculated by the County Clerk for numerous funds of a number of taxing districts that tax all or part of the property in the Project Area. A reduction in the tax levies by the affected taxing districts may have an adverse effect on the Available Incremental Taxes.

2. Further changes may be made in the real property tax system by the State of Illinois or Cook County. Such changes could include various property tax rollbacks, abatements, exemptions, changes in the ratio of assessment, or relief measures, limitations on the amount or percent of increase in tax levies by taxing districts, or other measures that would limit the tax levy amount that could be extended to the property within the Project Area and, consequently, the projected Available Incremental Taxes generated. For example, if Illinois adopted practices used in other states, the property tax system could be changed so that schools would be financed from a source other than property taxes. This type of change could have a significant adverse effect upon Available Incremental Taxes.

3. Cook County's methodology and procedures used to assess the value of property may be altered resulting in a potentially reduced or altered valuation in a particular year or succession of years.

4. Failure by Cook County to remit property taxes to the City on a timely basis could result in insufficient Available Incremental Taxes being available to pay principal of or interest on the Note when due.

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

Changes in Multiplier and Tax Rate

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

Economic Risks Affecting Available Incremental Taxes

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

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

Failure to Sell or Lease Property

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

Reliance on Primary Taxpayers

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

Force Majeure Conditions

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

Contiguous Project Areas

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

Risk of Delay in Payment of Available Incremental Taxes

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

Delays in Exercising Remedies

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

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

Risk of Transferee Becoming a Debtor in Bankruptcy

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

Loss of Tax Exemption

Interest on the Note could become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Note as a result of a failure of the City to comply

with certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"). An event of taxability does not trigger a mandatory redemption of the Note, and the Note will remain outstanding to maturity or until redeemed.

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

* * * * *