



Office of the City Clerk

City Hall
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Room 107
Chicago, IL 60602
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Legislation Text

File #: O2018-3252, **Version:** 1

AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS AUTHORIZING THE NEGOTIATED SALE AND CONVEYANCE OF CITY LAND TO MICO EXPRESS, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, AND DESIGNATING MICO EXPRESS, LLC, AS DEVELOPER

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

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

WHEREAS, pursuant to ordinances adopted on December 11, 1996, the City Council of the City (the "City Council"): (i) approved a certain redevelopment plan and project (as amended pursuant to an ordinance adopted by the City Council on October 6, 2005, the "Redevelopment Plan") for the Stockyards Annex Redevelopment Project Area (as amended, the "Redevelopment Area"), pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); (ii) designated the Redevelopment Area as a redevelopment project area pursuant to the Act; and (iii) adopted tax increment financing pursuant to the Act as a means of financing certain Redevelopment Area project costs incurred pursuant to the Redevelopment Plan; and

WHEREAS, the City is the owner of the real property commonly known as 4021 South Normal Avenue, Chicago (the "Property"), which Property is legally described on Exhibit 1 attached hereto; and

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

WHEREAS, the appraised value of the Property as of April 24, 2017, is \$806,000; and

WHEREAS, MICO Express, LLC, an Illinois limited liability company (the "Developer"), has submitted a proposal to the Department of Planning and Development (the "Department") to purchase the Property for \$85,324 in order to construct an approximately 30,000 square foot office and truck maintenance/storage structure and outdoor material storage areas (the "Project"); and

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

WHEREAS, the Developer has agreed to undertake the construction of the Project 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 2 (the "Redevelopment Agreement"); and

WHEREAS, by Resolution No. 18-CDC-8, adopted on March 13, 2018, the Chicago Plan Commission approved the sale of the Property to the Developer; and

WHEREAS, by Resolution No. 18-CDC-8, adopted on March 13, 2018, the CDC authorized the Department to advertise its intent to negotiate a sale of the Property with the Developer and to request

alternative proposals for the redevelopment of the Property, and recommended the sale of the Property to the Developer if no responsive alternative proposals were received at the conclusion of the advertising period, or, if alternative proposals were received, if the

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Department determined in its sole discretion that it was in the best interest of the City to proceed with the Developer's proposal; and

WHEREAS, public notices advertising the Department's intent to enter into a negotiated sale of the Property with the Developer and requesting alternative proposals appeared in the Chicago Sun-Times on March 16, March 23, and March 30, 2018; and

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

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

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

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

SECTION 3. The sale of the Property to the Developer for \$85,324 is hereby approved. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer. The Commissioner of the Department (the "Commissioner") or a designee of the Commissioner is each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement, and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement and such other supporting documents.

SECTION 4. The Mayor or his proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, one or more quitclaim deeds conveying the Property to the Developer, or to a land trust of which the Developer is the sole beneficiary (including Chicago Title Land Trust Company under Trust Agreement dated November 9, 2015 and known as Trust No. 8002369748), or to an entity of which the Developer is the sole controlling party, subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

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

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

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

Attachments: Exhibit 1 - Legal Description of Property Exhibit 2 -
Redevelopment Agreement

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ORDINANCE EXHIBIT 1

LEGAL DESCRIPTION OF PROPERTY

(SUBJECT TO FINAL TITLE COMMITMENT AND SURVEY)

LOTS 2, 3, 6, 7 AND 10 (EXCEPT THAT PART LYING NORTHERLY OF THE SOUTHERLY LINE OF THAT PART THEREOF USED AS A RIGHT OF WAY BY THE UNION STOCKYARDS AND TRANSIT COMPANY) IN BLOCK 4 IN TAYLOR'S AND KREIGH'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 38, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

ADDRESS: 4021 SOUTH NORMAL AVENUE CHICAGO,
ILLINOIS 60609

PIN: 20-04-111-003 20-04-111-010

ORDINANCE EXHIBIT 2 REDEVELOPMENT AGREEMENT [Attached]
MICO EXPRESS, LLC AGREEMENT
FOR THE SALE AND REDEVELOPMENT OF LAND

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(The Above Space for Recorder's Use Only)

This MICO EXPRESS, LLC AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND ("Agreement") is made on or as of the _____ day of _____, 2018, by and among the CITY OF CHICAGO, an Illinois municipal corporation ("City"), acting by and through its Department of Planning and Development ("DPD"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602, and MICO Express, LLC, an Illinois limited liability company ("Developer"), whose offices are located at 3129 South Shields Avenue, Chicago, Illinois 60616, and CHICAGO TITLE LAND TRUST COMPANY UNDER TRUST AGREEMENT DATED NOVEMBER 9, 2015 AND KNOWN AS TRUST NO. 8002369748 (the "Trustee" of the "Trust," of which the Developer is the sole beneficiary), whose offices are located at _____, Chicago, Illinois 606_____.

RECITALS

WHEREAS, the City is the owner of approximately 146,522 square feet of vacant land located at 4021 South Normal Avenue, Chicago, Illinois 60609, as legally described on Exhibit A attached hereto (the "Property"); and

WHEREAS, Developer desires to purchase the Property from the City in order to construct an approximately 30,000 square foot office and truck maintenance/storage structure and outdoor material storage areas (the "Project"); and

WHEREAS, Developer has entered into a construction contract with _____ (the "General Contractor") to construct the Project (the "General Contract"); and

WHEREAS, the Property is located in the Stockyards Annex Redevelopment Project Area (the "Redevelopment Area"), as created pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) and by ordinances first adopted by the City Council of the City (the "City Council") on December 11, 1996, and amended by an ordinance adopted by the City Council on October 6, 2005; and

WHEREAS, the Project is consistent with that certain redevelopment plan and project for the Redevelopment Area (the "Redevelopment Plan"); and

WHEREAS, the City has agreed to sell the Property to Developer for \$85,324 in consideration of the Developer's obligations to construct the Project in accordance with the terms and conditions of this Agreement and to comply with certain requirements contained herein; and

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WHEREAS, the Project is expected to cost approximately \$2,852,710 to design and construct; and

WHEREAS, as security for the Developer's completion of construction as provided herein, Developer has agreed to direct the Trustee to execute a reconveyance deed in the form attached hereto as Exhibit E ("Reconveyance Deed") for the Property on the Closing Date; and

WHEREAS, the City Council, pursuant to an ordinance adopted on _____, 2018, and published at pages _____ through _____ in the Journal of the Proceedings of the City Council of the City of Chicago of such date, authorized the sale of the Property to the Developer, subject to the execution, delivery and recording 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 agree as follows:

SECTION 1. INCORPORATION OF RECITALS.

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

SECTION 2. DEFINITIONS AND RULES OF CONSTRUCTION.

2.1 Defined Terms. 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:

"2FM" means the City's Department of Fleet and Facility Management.

"Actual Residents of the City" means persons domiciled within the City, as set forth in more detail in Section 24.2(c) hereof.

"Affiliate(s)" 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 person 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.

"Agent" means any agents, employees, contractors, subcontractors, or other persons acting under the control or at the request of the Developer or the Developer's contractors or Affiliates.

"Agreement" means this Agreement as may be amended in accordance with the terms hereof.

"Approved Environmental Costs" is defined in Section 23.3(f).

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"Architect" means

"Budget" means the budget for construction of the Project, which is attached hereto as Exhibit G, as such budget may be modified from time to time with the prior written approval of the City.

"Bundle" has the meaning defined in Section 30.

"Business Day" means any day other than Saturday, Sunday or a legal holiday in the City.

"Change Order" means any amendment or modification to the Scope Drawings, Plans and Specifications, or Budget, as described in Section 9, Section 11.1 and Section 11.2.

"City" has the meaning defined in the Preamble to the Recitals.

"City Contract" has the meaning defined in Section 25.1(1).

"City Council" means the City Council of the City of Chicago as defined in the Recitals. "City Hiring

Plan" has the meaning defined in Section 33.1.

"Claims" means liens (including, without limitation, lien removal and bonding costs), liabilities, obligations, damages, losses, demands, penalties, assessments, payments, fines, claims, actions, suits, judgments, settlements, costs, expenses and disbursements (including, without limitation, reasonable, actually-incurred legal fees and expenses and costs of investigation) of any kind and nature whatsoever.

"Closing" means the execution and recording of this Agreement.

"Closing Date" means the date of the Closing.

"Commissioner" or "Commissioner of DPD" means that individual holding the office and exercising the responsibilities of the Commissioner or Acting Commissioner of the City's Department of Planning and Development and any successor City Department, and any authorized designee.

"Completion Certificate" means the certificate of completion issued pursuant to Section 14.1.

"Compliance Period" means a period of ten (10) years following issuance of the Completion Certificate, excluding any period of time that an Event of Default exists under this Agreement.

"Construction Program" has the meaning defined in Section 24.3(a). "Contractors" has the meaning defined in Section 30. "Contribution" has the meaning defined in Section 30.

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"Corporation Counsel" means the City's Department of Law.

"Deed" has the meaning defined in Section 6.1.

"Default Title Exceptions" has the meaning defined in Section 20.4.

"Developer" has the meaning defined in the Preamble to the Recitals.

"Developer Parties" means the Developer, the Developer's Affiliates, and the respective officers, directors, employees, agents, successors and assigns of the Developer and its Affiliates.

"Domestic partners" has the meaning defined in Section 30.

"DPD" has the meaning defined in the Preamble to the Recitals hereof.

"EDS" means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted on paper or via the City's on-line submission process.

"Effective Date" means the date upon which this Agreement has been both (a) fully executed, and (b) delivered to the Developer.

"Employer(s)" has the meaning defined in Section 24.1.

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

"Environmental Laws" means any and all Laws relating to the regulation and protection of human health, safety, the environment and natural resources now or hereafter in effect, as amended or supplemented from time to time, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., any and all regulations promulgated under such Laws, and all analogous state and local counterparts or equivalents of such Laws, including, without limitation, the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., and the common law, including, without limitation, trespass and nuisance.

"Escrow Agreement" is means the joint order escrow agreement attached hereto as Exhibit C.

"Eguitv" means funds of the Developer (other than funds derived from Lender Financing) irrevocably

available for the Project, and unencumbered by any other obligation.

"Event of Default" means any event or occurrence as defined in Section 20.2.

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"Final NFR Letter" means a final comprehensive "No Further Remediation" letter issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the 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 for commercial properties 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.

"Final Project Cost" has the meaning defined in Section 14.1.

"Financial Statements" shall mean complete audited financial statements for the finances of the Project, which shall include a detailed accounting of all Operating Expenses as well as an accounting of any and all disbursements to entities related to the Developer, prepared by a , certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"Closing Date" has the meaning defined in Section 5.

"General Contract" has the meaning defined in the Recitals.

"General Contractor" has the meaning defined in the Recitals.

"Governmental Approvals" has the meaning defined in Section 8.

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

"Human Rights Ordinance" has the meaning set forth in Section 24.1(a).

"Identified Parties" has the meaning defined in Section 30.

"IEPA" means the Illinois Environmental Protection Agency.

"IGO Hiring Oversight" has the meaning defined in Section 33.4.

"Indemnitee" and "Indemnites" have the respective meanings defined in Section 22.

"Land Write-Down" has the meaning defined in Section 3.

"Laws" means all applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, executive orders 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.

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"Lender(s)" means _____, or any other provider of Lender Financing approved pursuant to Section 9 hereof, which shall be limited to funds necessary to construct the Project.

"Lender Financing" means funds borrowed by the Developer from Lenders, available to pay for the costs of the Project (or any portion thereof).

"Losses" means 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, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorney's fees and expenses, consultants' fees and expenses and court costs).

"MBE(s)" means 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 Program" has the meaning defined in Section 24.3(a).

"Municipal Code" means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

"Other Contract" has the meaning defined in Section 30.

"Owners" has the meaning defined in Section 30.

"Party" means either the City or the Developer, and "Parties" means the City and the Developer, collectively.

"Performance Deposit" has the meaning defined in Section 4.

"Permitted Liens" means those liens and encumbrances against the Property set forth on Exhibit H hereto.

"Phase I ESA" is defined in Section 23.3(a).

"Phase II ESA" is defined in Section 23.3(a).

"Plans and Specifications" means the final construction plans and specifications prepared by the Architect, as submitted to the City as the basis for obtaining Governmental Approvals for the Project, as such plans and specifications may be amended, revised and/or supplemented from time to time with the prior written approval of the City in accordance with Section 11.2 (Change Orders) hereof.

"Political fundraising committee" has the meaning defined in Section 30.

"Procurement Program" has the meaning defined in Section 24.3(a).

"Project" has the meaning defined in the Recitals.

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"Property" has the meaning defined in the Recitals.

"Proof of Financing" means proof reasonably acceptable to the City that the Developer has Equity and/or Lender Financing, in amounts sufficient to complete the Project and to otherwise satisfy its obligations under this Agreement. The Proof of Financing shall include binding commitment letters from the Developer's, Lenders, and evidence of the Developer's ability to make an equity contribution in the amount of any gap in financing.

"Property" has the meaning defined in the Recitals.

"Purchase Price" has the meaning defined in Section 3.

"RAP Approval Letter" is defined in Section 23.3(c).

"Reconveyance Deed(s)" has the meaning defined in the Recitals.

"Redevelopment Area" has the meaning defined in the Recitals.

"Redevelopment Plan" has the meaning defined in the Recitals.

"Released Claims" has the meaning defined in Section 23.4.

"Remediation Work" means 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 IEPA approved RAP for the Property, the SRP Documents, all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.

"Scope Drawings" means the preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project, as such site plan and preliminary drawings and specifications may be amended, revised and/or supplemented from time to time with the prior written approval of the City in accordance with Section 11.2 (Change Orders) hereof.

"SRP" means 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" means 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.

"Sub-owners" has the meaning defined in Section 30.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM urban survey of the Property dated within 45 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

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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 Project as required by the City or Lender(s) providing Lender Financing).

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

"Title Company" means

"Title Commitment" has the meaning defined in Section 7.1.

"Title Policy" means a title insurance policy issued by the Title Company in the most recently revised ALTA or equivalent form, showing the Trustee as the named insured with respect to the Property, noting the recording of this Agreement and a subordination agreement with respect to any Lender Financing, for the Project (as described in Section 10.14 below) as encumbrances against the Property.

"Waste Sections" has the meaning defined in Section 31.

2.2 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement:

a) The terms defined in this Section 2 and elsewhere in this Agreement include the plural as well as the singular.

b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

c) All references herein to "generally accepted accounting principles" refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.

d) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.

e) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any Section or other subdivision.

f) The Section and subsection headings herein are for convenience only and shall not affect the construction hereof.

SECTION 3. PURCHASE PRICE.

The City hereby agrees to sell, and the Developer hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Property, for the sum of \$85,324 ("Purchase Price"). Except

as specifically provided herein to the contrary, the Developer shall

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pay all escrow fees and other title insurance fees and closing costs. The Developer acknowledges and agrees that the Purchase Price is at least \$720,676 less than the \$806,000 fair market value of the Property ("Land Write-Down"). The purpose of the Land Write-Down is to facilitate the construction of the Project. The Developer acknowledges and agrees that the City has only agreed to provide the Land Write-Down because the Developer has agreed to execute this Agreement and comply with its terms and conditions.

SECTION 4. PERFORMANCE DEPOSIT.

The City acknowledges that the Developer has deposited with DPD the amount of \$40,300, as security for the performance of its obligations under this Agreement ("Performance Deposit"). The City will return the Performance Deposit upon issuance of the Completion Certificate, The City will pay no interest to the Developer on the Performance Deposit.

SECTION 5. CLOSING.

The City shall convey the Property to the Trustee on the Closing Date. On or before the Closing Date, the City shall deliver to the Title Company the Deed for the Property, all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement. The Closing shall take place at the downtown offices of the Title Company.

SECTION 6. CONVEYANCE OF TITLE.

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

- a) the Redevelopment Plan for the Redevelopment Area;
- b) the standard exceptions in an ALTA title insurance policy;
- c) general real estate taxes and any special assessments or other taxes;
- d) all easements, encroachments, covenants and restrictions of record and not shown of record;
- e) such other title defects as may exist; and
- f) any and all exceptions caused by the acts of the Developer or its Agents.

2 Recording. At Closing, the Developer shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the Property to the Developer. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number.

SECTION 7. TITLE AND SURVEY.

7.1 Title Commitment and Insurance. Not less than seven (7) days before the Closing Date, the Developer shall obtain a commitment for an owner's policy of title insurance

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for the Property, issued by the Title Company (a "Title Commitment"). 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.

7.2 Survey. The Developer shall obtain a Survey of the Property at the Developer's sole cost and expense: - -

SECTION 8. BUILDING PERMITS AND OTHER GOVERNMENTAL APPROVALS.

The Developer represents that it has obtained all necessary building permits and other required permits and approvals (collectively, "Governmental Approvals") for the Project.

SECTION 9. PROJECT BUDGET AND PROOF OF FINANCING.

The Developer has furnished to DPD, and DPD has approved, the Budget. The Developer hereby certifies to the City that (a) it has Lender Financing and/or Equity in amounts sufficient to pay for all costs of completing the Project; and (b) the Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Budget for approval pursuant to Section 11.2 hereof.

SECTION 10. CONDITIONS PRECEDENT TO CLOSING.

The obligations of the City under this Agreement to convey the Property to the Trustee are contingent upon the delivery or satisfaction of each of the following items (unless waived by DPD in its sole discretion) at least fourteen (14) days prior to the Closing Date, unless another time period is specified below:

1 Budget. The Developer has submitted to DPD, and DPD has approved, the Budget in accordance with the provisions of Section 9 hereof.

2 Financing. The Developer has furnished Proof of Financing for the Project. The Developer has delivered to DPD copies of any construction escrow agreements entered into by the Developer with respect to any Lender Financing for the Project. Any such construction escrow agreement must provide that the City will receive copies of all construction draw request materials submitted by the Developer after the date of this Agreement. Any financing liens against the Property in existence at the Closing Date and the Closing Date have been subordinated to certain encumbrances of the City stated in this Agreement 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 the Developer, in the Office of the Recorder of Deeds of Cook County.

3 Financial Statements. The Developer has provided Financial Statements to DPD for its last two fiscal years, if available, and its most recently available unaudited interim Financial Statements.

4 Scope Drawings and Plans and Specifications. The Developer has submitted to DPD, and

DPD has approved, the Scope Drawings and Plans and Specifications for the Project in accordance with the provisions of Section 11.1 hereof.

10.5 Governmental Approvals. The Developer has secured all necessary Governmental Approvals for the Project and has submitted evidence thereof to DPD.

6 Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Trustee as the named insured. The Title Policy for the Property is dated as of the Closing Date and contains

- only those title exceptions-listed as Permitted Liens -on-Exhibit H-hereto-and evidences the recording of this Agreement. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including, but not limited to, an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey.

7 Survey. The Developer has furnished the City with a copy of the Survey.

8 Insurance. The Developer has submitted to the City, and the City has approved, evidence of insurance reasonably acceptable to the City for the Property. The City shall be named as an additional insured on all liability insurance policies and as a loss payee (subject to the prior rights of any first mortgagee) on all property insurance policies from the Closing Date through the date the City issues the Completion Certificate.

9 Legal Opinion. The Developer has submitted to the Corporation Counsel, and the Corporation Counsel has approved, an opinion of counsel substantially in the form of Exhibit i, with such changes as may be required by or acceptable to Corporation Counsel, of due authorization, execution and enforceability (subject to bankruptcy and creditor's rights^ of this Agreement and all other documentation signed by the Developer provided for herein.

10 Due Diligence. Developer has submitted to the Corporation Counsel the following due diligence searches in its name, showing no unacceptable liens, litigation, judgments or filings, as reasonably determined by the Corporation Counsel, against either of them, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

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

Bankruptcy Search

In addition, the Developer has provided to the Corporation Counsel a written description of all pending or threatened litigation or administrative proceedings involving the Developer or any person holding an ownership interest in the 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.

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11 Organization and Authority Documents. Developer has submitted to the Corporation Counsel a copy of its current articles of organization, including all amendments thereto, as furnished and certified by the Illinois Secretary of State; a copy of the operating agreement of the members of the Developer, as certified by the manager of the Developer; resolutions authorizing the Developer to execute and deliver this Agreement and any other documents required to complete the transactions contemplated by this Agreement and to - perform its obligations under this Agreement; -a certificate of good standing from the -Illinois Secretary of State and all other states in which the Developer is qualified to do business dated no more than thirty (30) days prior to the Closing; a certified copy of the Trust agreement and file; and such other organizational documents as the City may reasonably request.

12 Economic Disclosure Statement. Developer has provided to the Corporation Counsel an Economic Disclosure Statement (or more than one if required by the ownership structure), in the City's then current form, dated as of the Closing Date.

13 Subordination Agreement. The Developer has provided to the Corporation Counsel a subordination agreement in a form reasonably acceptable to the City, to be executed and recorded on or prior to the Closing Date, subordinating any liens against the Property related to any Lender Financing to certain encumbrances of the City set forth herein.

14 MBEAA/BE and City Residency Hiring Compliance Plan. The Developer and the Developer's General Contractor and all major subcontractors have met with staff from DPD regarding compliance with the MBEA/VBE, city residency hiring and other requirements set forth in Section 24, and DPD has approved the Developer's compliance plan in accordance with Section 24.4.

15 Reconveyance Deed. On the Closing Date, the Trustee shall deliver a Reconveyance Deed for the Property to the City for possible recording in accordance with Section 20 below, if applicable.

16 Environmental. (a) The Developer will provide an Updated Phase I Environmental Site Assessment (ESA) for the Property conducted in conformance with ASTM E- 1527-13 and performed or updated within 180 days prior to Closing. A reliance letter naming the City as an authorized user must be provided by the environmental professional conducting the Phase I ESA. (b) On or prior to the Closing, the Developer has executed and funded the Escrow Agreement attached hereto as Exhibit C.

17 Representations and Warranties. On the Closing Date, each of the representations and warranties of the Developer in Section 25 and elsewhere in this Agreement shall be true and correct.

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

If any of the conditions in this Section 10 have not been satisfied to DPD's reasonable satisfaction within the time periods provided for herein, DPD may, at its option, upon thirty (30) days' prior written notice to Developer, terminate this Agreement at any time after the expiration of the applicable time period, in which event this Agreement shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation

hereunder; provided, however, that if within said thirty (30) day notice period Developer satisfies said condition(s), then the termination notice shall be deemed to have been withdrawn. Any forbearance by DPD in exercising its right to terminate this Agreement upon a default hereunder shall not be construed as a waiver of such right.

SECTION 11. CONSTRUCTION REQUIREMENTS.

1 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications for the Project to DPD and DPD has approved the same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications for the Project shall be submitted to DPD as a Change Order pursuant to Section 11.2 hereof. The Scope Drawings and Plans and Specifications for the Project shall at all times conform to the Redevelopment Plan and all applicable Laws. The Developer shall submit all necessary documents to the City's Department of Buildings, 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. The Developer shall construct the Project in accordance with the approved Scope Drawings and Plans and Specifications.

2 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to a material change to the Project must be submitted by the Developer to DPD for DPD's prior written approval. As used in the preceding sentence, a "material change to the Project" means (a) an increase or reduction in the gross or net square footage of the Project by more than 5%; (b) a change in the definition of the Project; (c) a delay in the completion of the Project by more than 120 days; or (d) Change Orders that, in the aggregate, increase or decrease the Budget by more than 5%. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect.

3 Performance and Payment Bonds. Prior to the commencement of construction of any portion of the Project involving work in the public way or work that constitutes a "public work" under applicable state law and is required to be bonded under such state law, the Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

4 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and cause the General Contractor and each subcontractor to abide by the terms set forth in Section 24.2 (City Resident Construction Worker Employment Requirement) and Section 24.3 (MBEAA/BE Commitment) of this Agreement. The Developer shall deliver to the City written progress reports detailing compliance with such requirements. Such reports shall be delivered to the City when the Project is 50% and 100% completed (based on the amount of expenditures incurred in relation to the Budget). If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

11.5 [intentionally omitted]

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

7 City's Right to Inspect Property. For the period commencing on the Closing Date and continuing through the date the City issues the Completion Certificate, any authorized representative of the City shall have access to all portions of the Project and the Property at all reasonable times for the purpose of determining whether the Developer is constructing the Project in accordance with the terms of this Agreement and all applicable Laws.

8 Barricades and Signs. The Developer shall, at its sole cost and expense, erect and maintain such signs as the City may reasonably require during the Project, identifying the site as a City redevelopment project. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications. Prior to the commencement of any construction activity requiring barricades, the Developer shall install barricades of a type and appearance satisfactory to the City and constructed in compliance with all applicable Laws. DPD shall have the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades. The Developer shall erect all signs and barricades so as not to interfere with or affect any bus stop or train station in the vicinity of the Property.

9 Survival. The provisions of this Section 11 shall survive Closing.

SECTION 12. LIMITED APPLICABILITY.

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

SECTION 13. COMMENCEMENT AND COMPLETION OF PROJECT.

The Developer shall commence construction of the Project no later than three (3) months after the Closing Date, and shall complete the Project (as evidenced by the issuance of the Completion Certificate) no later than eighteen (18) months after the construction commencement date; provided, however, DPD, in its sole discretion, may extend the construction commencement and completion dates by up to six (6) months each (or twelve (12) months in the aggregate). The estimated construction schedule for the Project is attached hereto as Exhibit J. The Developer shall construct the Project in accordance with this

Agreement, the Redevelopment Plan, the Plans and Specifications, the Budget, and all applicable Laws and covenants and restrictions of record.

SECTION 14. CERTIFICATE OF COMPLETION OF CONSTRUCTION.

1 Upon satisfaction of the requirements set forth in this Section 14 for the Project, and upon the Developer's written request; which shall include a final budget detailing the total actual cost of the construction of the Project (the "Final Project Cost"), DPD shall issue to the Developer a certificate of completion for the Project ("Completion Certificate") in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement.

2 A Completion Certificate will not be issued until the following requirements have been satisfied:

- a) [intentionally omitted]
- b) [intentionally omitted]
- c) Developer has obtained the Final NFR Letter for the Property.
- d) [intentionally omitted]

e) The City's Monitoring and Compliance Unit has verified in writing that the Developer is in full compliance with all City requirements set forth in Section 24.2 (City Resident Construction Worker Employment Requirement) and Section 24.3 (MBEA7VBE Commitment) with respect to the Project.

f) There exists neither an Event of Default nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

3 Within forty-five (45) days after receipt of a written request by the Developer for a Completion Certificate, the City shall provide the Developer with either the Completion Certificate or a written statement indicating in adequate detail how the Developer has failed to complete the Project in conformity with this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the sole opinion of the City, for the Developer to take or perform in order to obtain the Completion Certificate. If the City requires additional measures or acts to assure compliance, the Developer shall resubmit a written request for the Completion Certificate upon compliance with the City's response. The Completion Certificate shall be in recordable form, and shall, upon recording, constitute a conclusive determination of satisfaction and termination of the covenants in this Agreement and the applicable Deed with respect to the Developer's obligations to construct the Project. The Completion Certificate shall not, however, constitute evidence that the Developer has complied with any Laws relating to the construction of the Project, and shall not serve as any "guaranty" as to the quality of the construction. Nor shall the Completion Certificate release the Developer from its obligation to comply with the other terms, covenants and conditions of this Agreement, except to the extent otherwise provided by this Agreement.

4 Books and Records. The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the Final Project

Cost for 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 the Developer's loan statements, if any, General Contractor's and any subcontractor's sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

14.5 Inspection Rights. From the Closing Date through the expiration of the Compliance Period, upon prior written notice of at least three (3) business days, any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours for the purpose of confirming the Developer's compliance with the Agreement.

SECTION 15. RESTRICTIONS ON USE.

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

1 Use under the Redevelopment Plan. The Developer shall use the Property and cause the Property to be used in compliance with the Redevelopment Plan.

2 Use under the Agreement. The Developer shall use the Property and shall cause the Property to be used for the Project as described in the recitals hereof. Any other use must be approved in advance in writing by the Commissioner in his sole discretion.

3 fintentionally omitted]

4 Final NFR. The Developer shall comply with all land use restrictions, institutional controls and other terms and conditions contained in the Final NFR Letter(s) for the Property.

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

The Developer, for itself and its successors and assigns, acknowledges and agrees that the development and use restrictions set forth in this Section 15 constitute material, bargained-for consideration for the City and are intended to further the public policies set forth in the Redevelopment Plan.

SECTION 16. PROHIBITION AGAINST SALE OR TRANSFER OF PROPERTY.

A. In addition to the terms defined in Section 2 above, for purposes of this Section 16, the following terms shall have the meanings set forth below:

(a) "2.5% ROI Amount" means the dollar amount which equals 1.025 multiplied by "Equity Investment."

b) "Additional Capital Expenditure(s)" means any costs or expenses, excluding Project Expenditures, with respect to the Project that are properly categorized as capital in nature under Generally Accepted Accounting Principles, provided such costs or expenses are approved by the Commissioner.

c) [intentionally omitted]

d) [intentionally omitted]

e) "Average Annual ROI" means the sum of the ROI's for each twelve (12) month period, commencing on the date the City issues the Completion Certificate and ending ten (10) years following such date, divided by ten (10).

f) "Debt Service" means annual interest and principal payments on Lender Financing.

g) "Depreciation" means those certain depreciation amounts for the Project as set forth in the audited annual Financial Statements.

h) "Distributable Cash Flow" means Net Operating Income less (i) Project Expenditures, Additional Capital Expenditures, Lender required reserves and Debt Service, plus (ii) Amortization and Depreciation.

(i) [intentionally omitted]

(j) "Equity Investment" means all Equity paid for or into the Project for (i) Project Expenditures, and (ii) Additional Capital Expenditures, exclusive of debt and reduced by any payments made to the Developer, any of its Affiliates or an Insider Party that constitute a return of such Equity.

(k) "FMV of the Property" means the fair market value of the Property, valued without improvements, as of date of the Developer's sale of the Property, as determined by an appraiser selected by the City and paid for by the Developer, less the Purchase Price of One Dollar (\$1.00).

(l) "Income Taxes" means those certain income tax amounts for the Project as set forth in the audited annual Financial Statements.

(m) [intentionally omitted]

(n) "Net Operating Income" means, with respect to any applicable period, Project Revenues minus Operating Expenses of the Project.

(o) "Net Profit" means Net Sale Proceeds minus FMV of the Property, which will be paid on a pari passu basis with a return of Equity Investment to Developer minus 2.5% ROI Amount.

(p) "Net Sale Proceeds" means the gross sales price at which the Developer sells the Property to a third-party less closing costs and commissions less the

date of such sale.

(q) "Operating Expenses" means those certain operating expenses set forth in the audited annual Financial Statements including Debt Service and any Lender required reserves, but excluding Income Taxes, payments to Affiliates (provided that such payments are not greater than the market rate for such goods or services, as determined by DPD), Depreciation and Amortization.

(r) "Project Expenditures" means actually incurred costs of acquisition of the Property and construction of the Project, as set forth in executed owner's sworn statements, but excluding payments to Affiliates, Depreciation and Amortization.

(s) "Project Revenues" means those certain revenues for the Project as set forth in the audited annual Financial Statements.

(t) "ROI" means Distributable Cash Flow divided by Equity Investment.

B. Restriction on Transfer Prior to Issuance of Completion Certificate. Prior to the City's issuance of the Completion Certificate, as provided herein, the Developer may not, without the prior written consent of DPD, which consent shall be in DPD's sole and absolute discretion: (a) directly or indirectly sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or all or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) or any interest therein or the Developer's controlling interests therein (including, without limitation, a transfer by assignment of any of the beneficial interest under the Trust), except for leases of tenant space in the Project (including to CPMH Construction, Inc., an Illinois corporation, the owners of which also own a majority of the Developer) and further except for sales, transfers, conveyances, leases or other dispositions to an "Insider Party" (as defined in Section 16.G. below); or (b) directly or indirectly assign this Agreement. The Developer acknowledges and agrees that DPD may withhold its consent under (a) or (b) above if, among other reasons, the proposed purchaser, transferee or assignee (or such entity's principal officers, members or directors) is in violation of any Laws, or if the Developer fails to submit sufficient evidence of the financial responsibility, business background and reputation of the proposed purchaser, transferee or assignee. In the event of a proposed sale, transfer, conveyance, lease or other disposition of all or any portion of the Property, the Developer shall provide the City copies of any and all sales contracts, legal descriptions, descriptions of intended use, certifications from the proposed purchaser, transferee or assignee, as applicable, regarding this Agreement and such other information as the City may reasonably request. The proposed purchaser, transferee or assignee (including any purchaser, transferee or assignee that is an Insider Party), must be qualified to do business with the City (including but not limited to anti-scofflaw requirement). In the event of a sale or transfer pursuant to this Section 16.B the Developer shall promptly pay a dollar amount equal to the Net Sale Proceeds to the City.

C. Transfer of Property During the Compliance Period. If the Developer sells the Property during the Compliance Period (except for sales, transfers, conveyances, leases or other dispositions to an Insider Party), the Developer shall pay to the City as follows:

i) if the Net Sale Proceeds are greater than or equal to the dollar amount of Equity

Investment plus FMV of the Property, then the Developer shall pay to the City a dollar amount equal to fifty percent (50%) of the Net Profit.

ii) if the Net Sales Proceeds are greater than One Dollar (\$1.00), but less than the dollar amount of the Equity Investment plus FMV of the Property, then the Developer shall pay to the City on a pari passu basis a pro rata dollar amount of the product of (A) multiplied by (B), where:

A) equals the Net Sale Proceeds minus the FMV of the Property minus 2.5% ROI Amount; and

B) equals the FMV of the Property divided by (C), where (C) equals the sum of the FMV of the Property plus the dollar amount of Equity Investment.

iii) if the Net Sales Proceeds are negative (i.e., the Property is sold for a loss), then the Developer does not owe any money to the City pursuant to this Section 16.C.

D. [intentionally omitted]

E. [intentionally omitted]

F. Transfer of Interests in the Developer. If the Developer is a business entity, no principal party of the Developer (e.g., a general partner, member, manager or shareholder) may sell, transfer or assign any of its interest in the entity prior to the City's issuance of the Completion Certificate to anyone other than an Insider Party, without the prior written consent of DPD, which consent shall be in DPD's sole and absolute discretion. The Developer must disclose the identity of all members to the City at the time such members obtain an interest in the Developer.

G. Insider Party. For purposes of this Section 16, "Insider Party" means an individual or entity that is eligible to do business with the City, and that satisfies one or more of the following criteria:

i) existing (as of the Effective Date) shareholder, partner, or member of the Developer;

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

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

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

SECTION 17. MORTGAGES AND OTHER LIENS.

1 Limitation upon Encumbrance of Property. Prior to the issuance of the Completion Certificate, the Developer may not, without the prior written consent of DPD, which consent shall be in DPD's sole discretion, engage in any financing or other transaction which would create an encumbrance or lien on the Property, except for the Lender Financing, approved pursuant to Section 9, which shall be limited to funds necessary to construct the Project.

2 Mortgagees Not Obligated to Construct. Notwithstanding any other provision of this Agreement or of the Deed, the holder of any mortgage authorized by this Agreement (or any affiliate of such holder) shall not itself be obligated to construct or complete the Project, or to guarantee such construction or completion, but shall be bound by the other covenants running with the land specified in Section 19 and, at the Closing, shall execute a subordination agreement in accordance with Section 10.10. If any such mortgagee or its affiliate succeeds to the Developer's interest in the Property (or any portion thereof) prior to the issuance of the Completion Certificate, whether by foreclosure, deed-in-lieu of foreclosure or otherwise, and thereafter transfers its interest in the Property (or any portion thereof) to another party, such transferee shall be obligated to complete the Project (or such portion of the Project located on the land so transferred), and shall also be bound by the other covenants running with the land specified in Section 19.

SECTION 18. [intentionally omitted]

SECTION 19. COVENANTS RUNNING WITH THE LAND.

The Parties agree, and the Deed shall so expressly provide, that the covenants, agreements, releases and other terms and provisions contained in Section 13 (Commencement and Completion of Project), Section 15 (Restrictions on Use), Section 16 (Prohibition Against Sale or Transfer of Property), Section 17 (Limitation Upon Encumbrance of Property), and Section 23.5 (Release for Environmental Conditions), touch and concern and shall be appurtenant to and shall run with the Property. Such covenants, agreements, releases and other terms and provisions shall be binding on the Developer and the Trustee and their respective successors and assigns (subject to the limitation set forth in Section 17 above as to any permitted mortgagee) to the fullest extent permitted by law and equity for the benefit and in favor of the City, and shall be enforceable by the City. Such covenants, agreements, releases and other terms and provisions shall terminate as follows: Section 13 upon the issuance of the Completion Certificate; Sections 16.1 and 17 upon the issuance of the Completion Certificate; Section 15.1 upon the expiration of the Redevelopment Plan; Sections 15.2 upon the expiration of the Compliance Period; Section 16.2 upon the expiration of the Compliance Period; Section 15.4 in accordance with the terms of the Final NFR Letter; and Sections 15.5 and 23.5 with no limitation as to time.

SECTION 20. PERFORMANCE AND BREACH.

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

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

- (a) the failure of the Developer to perform, keep or observe any of the

covenants, conditions, promises, agreements or obligations of the Developer under this Agreement or any

related agreement;

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

c) the making or furnishing by the Developer of any warranty, representation, statement, certification, schedule or report to the City (whether in this Agreement, an Economic Disclosure Statement, or another document) 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, 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 is related to the Property and 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;

(j) the occurrence of a material and adverse change in Developer's financial condition or operations;

(k) 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);

(l) except as set forth in Section 16 hereof, the sale or transfer of the ownership interests of Developer without the prior written consent of the City prior to the issuance of the Completion Certificate; or

(m) non-compliance with the use covenants as set forth in Section 15 hereof.

For purposes of Section 20.2(k) hereof, a person with a material interest in the Developer shall be one owning in excess often (10%) of either Developer's membership interests.

3 Cure. If the Developer defaults in the performance of its obligations under this Agreement, the Developer shall have thirty (30) days after written notice of default from the City to cure the default, or such longer period as shall be reasonably necessary to cure such default provided the Developer promptly commences such cure and thereafter diligently pursues such cure to completion (so long as continuation of the default does not create material risk to the Project or to persons using the Project). Notwithstanding the foregoing or any other provision of this Agreement to the contrary, there shall be no notice requirement or cure period with respect to Events of Default described in Section 13 (Commencement and Completion of Project), Section 16 (Prohibition Against Transfer of Property) and Section 17 (Mortgages and Other Liens).

4 After Closing. If an Event of Default occurs after the Closing, and the default is not cured in the time period provided for in Section 20.3 above, the City may terminate this Agreement and pursue and secure any available remedy in any court of competent jurisdiction by any action or proceeding at law or in equity, including, but not limited to, damages, injunctive relief, the specific performance of the agreements contained herein, and the right to revest title to the Property in the City pursuant to the Reconveyance Deed; provided, however, the City's right to revest title in the City pursuant to the Reconveyance Deed shall terminate upon the issuance of the Completion Certificate, and provided further that the recording of the Reconveyance Deed shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement. If the Reconveyance Deed is recorded by the City, the Developer shall be responsible for all real estate taxes and assessments which accrued during the period the Property was owned by the Trustee, and shall cause the release of all liens or encumbrances placed on the Property during the period of time the Property was owned by the Trustee. The Developer and the Trustee will cooperate with the City to ensure that if the City records the Reconveyance Deed, such recording is effective for purposes of transferring title to the Property to the City, subject only to those title exceptions that were on title as of the date and time that the City conveyed the Property to the Trustee and any subsequent liens or exceptions expressly authorized by this Agreement or approved by the Commissioner in accordance with the terms of this Agreement (collectively, "Default Title Exceptions").

5 Resale of the Property. Upon the reconveyance of title to the Property to the City as provided in Section 20.4, the City may complete the Project or convey the Property, subject to any Default Title Exceptions, to a qualified and financially responsible party reasonably acceptable to the first mortgagee (if any), who shall assume the obligation of completing the Project or such other improvements as shall be satisfactory to DPD, and otherwise comply with the covenants that run with the land as specified in Section 19.

20.6 Disposition of Resale Proceeds. If the City sells the Property as provided for in Section 20.5, the net proceeds from the sale, after payment of all amounts owed under any mortgage liens authorized by this Agreement in order of lien priority, shall be utilized to reimburse the City for:

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

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

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

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

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

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

SECTION 21. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

The Developer represents and warrants that no agent, official or employee of the City shall have any personal interest, direct or indirect, in the Developer, this Agreement, the Property or the Project, nor shall any such agent, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, association or other entity in which he or she is directly or indirectly interested. No agent, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or with respect to any commitment or obligation of the City under the terms of this Agreement.

SECTION 22. INDEMNIFICATION.

The Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees and agents (individually, an "Indemnitee," and collectively the "Indemnitees") harmless from and against any and all Losses in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto, that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of: (a) the failure of the Developer to comply with any of the terms, covenants and conditions contained within this Agreement; (b) the failure of the Developer or any Agent of the Developer to pay

contractors, subcontractors or material suppliers in connection with the construction and management of the Project; (c) the existence of any material misrepresentation or omission in this Agreement or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Agent or Affiliate of the Developer; (d) the Developer's failure to cure any misrepresentation in this Agreement or any other document relating hereto; and (e) any activity undertaken by the Developer or any Agent or Affiliate of the Developer on the Property prior to or after the Closing. This indemnification shall survive the Closing and any termination of this Agreement (regardless of the reason for such termination).

SECTION 23. ENVIRONMENTAL MATTERS.

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

2 Right of Entry. The Developer hereby represents and warrants to the City that it has performed a Phase I environmental site assessment of the Property in accordance with the requirements of the ASTM E 1527-05 standard and other environmental studies sufficient to conclude that the Project may be completed and operated in accordance with all Environmental Laws and this Agreement. The Developer agrees to deliver to the City copies of all Environmental Documents. The obligation of the Developer to purchase the Property is conditioned upon the Developer being satisfied with the condition of the Property for the construction, development and operation of the Project. The City shall grant the Developer the right, at its sole cost and expense, and in the City's customary form and subject to City's receipt from Developer of required documentation (e.g., evidence of insurance and an Economic Disclosure Statement and Affidavit that is current as of the date of the right of entry), to enter the Property to perform the Phase I 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; provided, however, that the City shall have the right to review and approve the scope of work for any environmental testing. 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, in which event the Earnest Money and Performance Deposit shall be returned to Developer and 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. If the Developer elects not to terminate this Agreement pursuant to this Section 23.2, the Developer shall be deemed satisfied with the condition of the Property.

23.3 Environmental Remediation.

a) Developer has obtained a Phase I Environmental Site Assessment ("Phase I ESA") by Carnow, Conibear and Associates (CCA), dated February 5, 2016; and a Focused Site Investigation report by Gabriel Environmental Services dated June 2, 2016 for the Property. Previous investigations include a Phase I ESA by URS Greiner Woodward Clyde (URSGWC) dated December 21, 1998; a Phase I ESA by Environmental Design International, Inc. dated September 30, 2009; and a Phase II Environmental Site Assessment by Northern Environmental dated October 25, 2005.

b) Prior to closing, Developer will provide an Updated Phase I Environmental Site Assessment (ESA) for the Property conducted in conformance with ASTM E- 1527-13 and performed or updated within 180 days prior to Closing. A reliance letter naming the City as an authorized user must be provided by the environmental professional conducting the Phase I ESA. The City's Department of Fleet and Facility Management ("2FM") shall have the right to review and reasonably approve the reliance letter. The environmental investigations identified contamination above industrial/commercial ("I/C") remediation objectives as determined by Title 35 of the Illinois Administrative Code ("IAC") Part 742, and the Developer must enroll the Property in the Illinois Environmental Protection Agency's ("IEPA") Site Remediation Program ("SRP"). Any underground storage tanks ("USTs") identified must be removed and closed in accordance with applicable regulations including Title 41 of IAC Part 175 and any identified leaking USTs must be properly addressed in accordance with 35 IAC Part 734.

c) The Developer acknowledges and agrees that it may not commence construction on the Property until the IEPA issues a Comprehensive Remedial Action Plan Approval Letter ("RAP Approval Letter") for the Property.

d) [intentionally omitted]

e) 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 Comprehensive I/C No Further Remediation ("NFR") Letter for the Property using all reasonable means. 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. The Developer shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final Comprehensive I/C NFR Letter, and the costs of any other investigative and cleanup costs associated with the Property. 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.

f) On the Closing Date, the Developer and the Title Company (or such other Escrowee as shall be acceptable to DPD, in its sole discretion) shall have executed a joint order escrow agreement, substantially in the form attached hereto as Exhibit C (the "Escrow Agreement"). The Developer shall deposit \$720,676 into the escrow account. The Developer acknowledges that the funds in the escrow account shall be used solely to reimburse the Developer for the line items shown on Exhibit 4 to the Escrow Agreement (the "Approved Environmental Costs"). The Developer acknowledges that (i) the City will not pay for any

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removal (including, excavation, transportation and disposal), storage, remediation or treatment costs associated with any material from the Property, including any material meeting regulatory criteria of Hazardous Waste, and (ii) the Developer is solely responsible for all removal (including, excavation, transportation and disposal), storage, remediation or treatment costs associated with material meeting regulatory criteria of Hazardous Waste, even if those costs exceed \$720,676. Any funds remaining in the environmental escrow account following the Escrowee's payment from the escrow account of the Approved Environmental Costs shall be paid to the City. The Developer shall pay all escrow fees.

g) The Developer acknowledges and agrees that occupancy of the Property may not occur until a Remedial Action Completion Report has been approved by 2FM and submitted to the IEPA. The Developer acknowledges and agrees that the City will not issue a Certificate of Completion until the IEPA

has issued, the City has approved (such approval not to be unreasonably withheld), and the Developer has recorded with the Cook County Recorder of Deeds, a Final NFR Letter for the Property. The Developer must obtain the Final NFR Letter within six (6) months of the submission of the Remedial Action Completion Report to the IEPA. In addition to the other remedies available to the City under Section 20.4. the Developer acknowledges and agrees on behalf of itself, its successors and assigns, that if the Developer fails to obtain the Final NFR Letter within six (6) months of the submission of the Remedial Action Completion Report to the IEPA, then the City shall have the right to record a notice of default of this Agreement against the Property with the Office of the Recorder of Deeds of Cook County.

h) The Developer must abide by the terms and conditions of the Final NFR letter.

23.4 Release and Indemnification. The Developer, on behalf of itself and the other Developer Parties, or anyone claiming by, through, or under the Developer Parties, hereby releases, relinquishes and forever discharges the City 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 (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances in, on, under or about the Property or the migration of Hazardous Substances from or to other property, unless the Hazardous Substances migrate from property owned by the City to the Property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend (through an attorney reasonably acceptable to the City), indemnify, and hold the City 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.

5 Release Runs with the Land. The covenant of release in Section 23.4 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 for the Purchase Price. 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 23.4 contains a full, complete and final release of all such claims.

6 Survival. This Section 23 shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 24. DEVELOPER'S EMPLOYMENT OBLIGATIONS.

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

a) Neither the Developer nor any Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Section 2-160-010 et seq. of the Municipal Code, as amended from time to time (the "Human Rights Ordinance"). The Developer and each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon the foregoing grounds, and are treated in a non-discriminatory manner with regard to all job-related matters, including, without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer and each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Developer and each Employer, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon the foregoing grounds.

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

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c) The Developer and each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including, without limitation, the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), both as amended from time to time, and any regulations promulgated thereunder.

d) The Developer, in order to demonstrate compliance with the terms of this Section 24.1, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

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

f) Failure to comply with the employment obligations described in this Section 24.1 shall be a basis for the City to pursue remedies under the provisions of Section 20.

24.2 City Resident Employment Requirement.

a) The Developer agrees, and shall contractually obligate each Employer to agree, that during the construction of the Project, the Developer and each Employer shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 2-92-330 of the Municipal Code (at least fifty percent); provided, however, that in addition to complying with this percentage, the Developer and each Employer shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

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

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

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

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

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which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Developer or Employer hired the employee should be written in after the employee's name.

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

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

h) Good faith efforts on the part of the Developer and the Employers to provide work for actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the chief procurement officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section 24.2 concerning the worker hours

performed by actual Chicago residents.

(i) If the City determines that the Developer or an Employer failed to ensure the fulfillment of the requirements of this Section 24.2 concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section 24.2. If such non-compliance is not remedied in accordance with the breach and cure provisions of Section 20.3, the parties agree that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Budget shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer and/or the other Employers or employees to prosecution.

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

(k) The Developer shall cause or require the provisions of this Section 24.2 to be included in all construction contracts and subcontracts related to the construction of the Project.

24.3 Developer's MBEAA/BE Commitment. The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall

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contractually obligate the General Contractor to agree, that during the construction of the Project:

a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (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 24.3, during the course of construction of the Project, at least 24% of the aggregate hard construction costs shall be expended for contract participation by minority-owned businesses and at least 4% of the aggregate hard construction costs shall be expended for contract participation by women-owned businesses.

b) For purposes of this Section 24.3 only:

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

Code, as applicable.

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

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

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

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described in this Section 24.3. In accordance with Section 2-92-730, Municipal Code, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

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

e) Upon the disqualification of any MBE or WBE general contractor or subcontractor, if the

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

f) Any reduction or waiver of the Developer's MBEA/VBE commitment as described in this Section 24.3 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

24.4 Pre-Construction Conference and Post-Closing Compliance Requirements. Not less than fourteen (14) days prior to the Closing Date, the Developer and the Developer's General Contractor and all major subcontractors shall meet with DPD monitoring staff regarding compliance with all Section 24 requirements. During this pre-construction meeting, the Developer shall present its plan to achieve its obligations under this Section 24, the sufficiency of which the City's monitoring staff shall approve as a precondition to the First Closing. During the construction of the Project, the Developer shall submit all documentation required by this Section 24 to the City's monitoring staff, including, without limitation, the following: (a) subcontractor's activity report; (b) contractor's certification concerning labor standards and prevailing wage requirements; (c) contractor letter of understanding; (d) monthly utilization report; (e) authorization for payroll agent; (f) certified payroll; (g) evidence that MBEAA/BE contractor associations have been informed of the Project via written notice and hearings; and (h) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 24, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (x) issue a written demand to the Developer to halt construction of

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the Project, (y) withhold any further payment of any City funds to the Developer or the General Contractor, or (z) seek any other remedies against the Developer available at law or in equity.

SECTION 25. REPRESENTATIONS AND WARRANTIES.

25.1 Representations and Warranties of the Developer. To induce the City to execute this Agreement and perform its obligations hereunder, the Developer represents, warrants and covenants, as of the Effective Date and as of the Closing Date and the Closing Date, that the following shall be true, accurate and complete in all respects:

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

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

c) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement. Developer's execution, delivery and performance of this Agreement, and all instruments and agreements contemplated hereby, have been duly authorized by all necessary action, and do not and will not violate Developer's articles of organization or operating agreement (as amended and supplemented), or any applicable Laws, nor will such execution, delivery and performance, upon the giving of notice or lapse of time or both, result in a breach or violation of, or constitute a default under, or require any consent under, any other agreement, instrument or document to which Developer, or any party affiliated with Developer, is a party or by which Developer or the Property is now or may become bound. '

d) No action, litigation, investigation or proceeding of any kind is pending or threatened against Developer, or any party affiliated with Developer, by or before any court, governmental commission, board, bureau or any other administrative agency, and Developer knows of no facts which could give rise to any such action, litigation, investigation or proceeding, which could: (i) affect the ability of Developer to perform its obligations hereunder; or (ii) materially affect the operation or financial condition of Developer.

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

f) Developer has and shall maintain all Governmental Approvals necessary to conduct its business and to construct, complete and operate the Project.

g) Developer is not in default with respect to any indenture, loan agreement, mortgage, 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.

h) The Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the

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

(i) The Project will not violate: (i) any applicable Laws, including, without limitation, any zoning and building codes and Environmental Laws; or (ii) any building permit, restriction of record or other agreement affecting the Property.

(j) Prior to the expiration of the Compliance Period, Developer shall not do any of the following without the prior written consent of the Commissioner of DPD, which shall be in the Commissioner's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) enter into any transaction outside the ordinary course of Developer's business; (3) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (4) enter into any transaction that would cause a material and detrimental change to Developer's financial condition.

(k) Prior to the issuance of the Completion Certificate, the Developer shall not do any of the following without the prior written consent of the Commissioner of DPD, which shall be in the

Commissioner's sole discretion: (1) allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or (2) 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 Budget.

(l) Developer has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with this 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 of the City.

(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.

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

3 Survival of Representations and Warranties. Each of the parties agrees that all warranties, representations, covenants and agreements contained in this Section 25 and elsewhere in this Agreement are true, accurate and complete as of the Effective Date and shall survive the Effective Date and shall be in effect until the expiration of the Compliance Period.

SECTION 26. [intentionally omitted]

SECTION 27. NOTICES.

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

If to the City: City of Chicago
Department of Planning & Development 121 North
LaSalle Street, Room 1000 Chicago, Illinois 60602 Attn:
Commissioner

With a copy to: City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attn: Real Estate and Land Use Division

If to the Developer:

3129 South Shields Avenue
Chicago, Illinois 60616
Attn:

and

Chicago Title Land Trust Company

Chicago, Illinois 606
Attn:

With a copy to:

Attn:

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by facsimile, respectively, provided that such facsimile transmission is confirmed as having occurred prior to 5:00 p.m. on a business day. If such transmission occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) business days

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after mailing. The parties, by notice given hereunder, may designate' any further or different addresses to which subsequent notices, demands or communications shall be given. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section 27 shall constitute delivery.

SECTION 28. BUSINESS RELATIONSHIPS.

The Developer acknowledges (a) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (b) that it has read such provision and understands that pursuant to such Section 2-156-030 (b) it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (c) notwithstanding anything to the contrary contained in this Agreement, that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that no violation of Section 2-145-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

SECTION 29. PATRIOT ACT CERTIFICATION.

The Developer represents and warrants that neither the Developer nor any Affiliate (as hereafter defined) thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable Laws: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

SECTION 30. PROHIBITION ON CERTAIN CONTRIBUTIONS PURSUANT TO MAYORAL EXECUTIVE ORDER NO. 2011-4.

30.1 The Developer agrees that the Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in the Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, the Developer's contractors (i.e., any person or entity in direct contractual privity with the Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (the Developer and all the other preceding classes of persons and entities are together the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago or to his political fundraising committee (a) after execution of this Agreement by the Developer, (b) while this Agreement or any Other Contract (as hereinafter defined) is executory, (c) during the term of this Agreement or any Other Contract, or (d) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated. This provision shall not apply to contributions made prior to May 16, 2011, the effective date of Executive Order 2011-4.

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2 The Developer represents and warrants that from the later of (a) May 16, 2011, or (b) the date the City approached the Developer, or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

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

4 The Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

5 Notwithstanding anything to the contrary contained herein, the Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this Section 30 or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including, without limitation, termination for default) under this Agreement, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

6 If the Developer intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the First Closing or the Second Closing, the City may elect to decline to close the transactions contemplated by this Agreement (i.e., the conveyance of Lots 6, 7 and 8 in the case of the First Closing and the conveyance of Lot 8 in the case of the Second Closing).

7 For purposes of this provision:

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

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

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

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

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

ii) neither party is married; and

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

iv) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and

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

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

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

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

A) joint ownership of a motor vehicle;

B) joint credit account;

C) a joint checking account;

D) a lease for a residence identifying both domestic partners as tenants.

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

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

SECTION 31. INSPECTOR GENERAL

It is the duty of every officer, employee, department, agency, contractor, subcontractor, developer and licensee of the City, and every applicant for certification of eligibility for a City contract or program, to cooperate with the City's Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-55 of the Municipal Code. The Developer understands and will abide by all provisions of Chapter 2-55 of the Municipal Code.

SECTION 32. WASTE ORDINANCE PROVISIONS.

In accordance with Section 11-4-1600(e) of the Municipal Code, Developer warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Agreement is executory, Developer's, any violation of the Waste Sections by the General Contractor or any subcontractor, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Commissioner of DPD. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity. This

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section does not limit the duty, of the Developer, the General Contractor and any subcontractors to comply with all applicable Laws, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect the Developer's eligibility for future contract awards.

SECTION 33. CITY HIRING PLAN.

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

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

3 Developer will not condition, base, or knowingly prejudice or affect any term or aspect to the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including,

without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

4 In the event of any communication to Developer by a City employee or City official in violation of Section 33.2 above, or advocating a violation of Section 33.3 above, Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("IGO Hiring Oversight"), and also to the head of the relevant City Department utilizing services provided under this Agreement. Developer will also cooperate with any inquiries by IGO Hiring Oversight related to this Agreement.

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

Failure by Developer or any controlling person (as defined in Section 1-23-010 of the Municipal Code) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-030 of the Municipal Code shall be grounds for termination of the

Agreement and the transactions contemplated thereby. Developer shall at all times comply with Section 2-154-020 of the Municipal Code.

SECTION 35. MISCELLANEOUS.

The following general provisions govern this Agreement:

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

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

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

4 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.

5 Entire Agreement; Modification. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements, negotiations and

discussions. This Agreement may not be modified or amended in any manner without the prior written consent of the parties hereto. No term of this Agreement may be waived or discharged orally or by any course of dealing, but only by an instrument in writing signed by the party benefited by such term.

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

7 Force Majeure. Neither the City nor the 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 a delay due to unforeseeable 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, including, without limitation, fires, floods, strikes, shortages of material and unusually severe weather or delays of subcontractors due to such causes. The time for the performance of the obligations shall be extended only for the period of the delay and only if the party relying on this section requests an extension in writing within twenty (20) days after the beginning of any such delay.

8 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.

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

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

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

12 No Merger. The terms of this Agreement shall not be merged with the Deed, and the delivery of the Deed shall not be deemed to affect or impair the terms of this Agreement.

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

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

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

16 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each Party 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.

35.17 The Trustee. This Agreement is executed by the Trustee, not personally but as Trustee as aforesaid in the exercise power and authority conferred upon and vested in it as such Trustee and said Trustee hereby warrants that it possesses full power and authority to execute this instrument and it is expressly understood and agreed that nothing herein shall be construed as creating any liability on the Trustee personally to perform any covenant either express or implied herein. No personal liability shall be asserted or be enforceable against the Trustee by reason of the covenants, statements, representatives or warranties contained in this instrument.

{Signature Page Follows}

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

CITY OF CHICAGO,
an Illinois municipal corporation

By:
David L. Reifman, Commissioner Department of Planning
and Development

MICO EXPRESS, LLC,
an Illinois limited liability company

By:
Name:
Title:

CHICAGO TITLE LAND TRUST COMPANY UNDER TRUST
AGREEMENT DATED NOVEMBER 9, 2015 AND KNOWN AS TRUST
NO 8002369748

By:
Name:
Title:

THIS INSTRUMENT PREPARED BY, AND AFTER
RECORDING, PLEASE RETURN TO:

Michael L. Gaynor, Supervising Assistant Corporation Counsel City of
Chicago, Dept. of Law, Real Estate & Land Use Div. 121 North LaSalle Street,
Suite 600 Chicago, Illinois 60602 (312) 744-8973

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STATE OF ILLINOIS)

) SS.

COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that David L. Reifman, the Commissioner of the Department of Planning and Development ("DPD") of the City of Chicago, an Illinois municipal corporation ("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, being first duly sworn by me, acknowledged that, as said Commissioner, he signed and delivered the foregoing instrument pursuant to authority given by the City as his free and voluntary act and as the free and voluntary act and deed of the City, for the uses and purposes therein set forth.

GIVEN under my notarial seal this day of ' 2018.

NOTARY PUBLIC

STATE OF ILLINOIS COUNTY OF COOK

)
) SS.
)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, the _____ of MICO Express, LLC, an Illinois limited liability company (the "Developer"), personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument pursuant to authority given by said Developer, as his free and voluntary act and as the free and voluntary act and deed of said Developer, for the uses and purposes therein set forth. .

GIVEN under my notarial seal this _____ day of _____, 2018.

NOTARY PUBLIC

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, the _____ of Chicago Title Land Trust Company Under Trust Agreement Dated November 9, 2015 And Known As Trust No. 8002369748 (the "Trustee"), personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that s/he signed and delivered the foregoing instrument pursuant to authority given by said Trustee, as her/his free and voluntary act and as the free and voluntary act and deed of said Trustee, for the uses and purposes therein set forth.

GIVEN under my notarial seal this _____ day of _____, 2018.

NOTARY PUBLIC

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- Exhibit A: Legal Description of Property
- Exhibit B: [intentionally omitted]
- Exhibit C: Form of Escrow
- Exhibit D: [intentionally omitted]
- Exhibit E: Form of Reconveyance Deed
- Exhibit F: [intentionally omitted]
- Exhibit G: Budget
- Exhibit H: Permitted Liens
- Exhibit I: Form of Legal Opinion
- Exhibit J: Construction Schedule

AGREEMENT EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

LOTS 2, 3, 6, 7 AND 10 (EXCEPT THAT PART LYING NORTHERLY OF THE SOUTHERLY LINE OF THAT PART THEREOF USED AS A RIGHT OF WAY BY THE UNION STOCKYARDS AND TRANSIT COMPANY) IN BLOCK 4 IN TAYLOR'S AND KREIGH'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST V* OF SECTION 4, TOWNSHIP 38, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,

ILLINOIS

ADDRESS: 4021 SOUTH NORMAL AVENUE CHICAGO,
ILLINOIS 60609

PIN: 20-04-111-003 20-04-111-010

AGREEMENT EXHIBIT B [intentionally omitted]

AGREEMENT EXHIBIT C FORM OF

ESCROW AGREEMENT

JOINT ORDER ESCROW AGREEMENT

Escrow No. _____ Date: _____, 2018

To: ("Escrowee")

Parties: (a) MICO EXPRESS, LLC, an Illinois limited liability company ("Developer")
(b) CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of government ("City")

1. The accompanying \$720,676 is deposited by Developer with the Escrowee and shall be used solely to reimburse the Developer for the line items as shown on Exhibit 4 attached hereto on the "Property," otherwise known as the "Approved Environmental Costs", as defined in, and determined and otherwise governed by the MICO Express, LLC Agreement for the Sale and Redevelopment of Land, among Chicago Title Land Trust Company uta dated 11/9/15 aka Trust No. 8002369748,

Developer and the City of Chicago, dated _____, 2018 (the "RDA"). The Property is legally described in the attached Exhibit 1 and commonly known as 4021 South Normal Avenue, Chicago, Illinois.

2. The funds shall be disbursed by Escrowee only upon the written joint order of (1) _____, in his capacity as _____ of Developer, or his duly authorized designee and (2) the Commissioner or any Managing Deputy Commissioner, Deputy Commissioner, or Assistant Commissioner of the Department of Planning and Development. That written order must be substantially in the form of Exhibit 2 attached hereto. The joint order shall be accompanied by a written statement from _____, Developer's environmental consultant, in substantially the form of Exhibit 3 attached hereto, which statement shall be attached to the joint order.

3. Escrowee is hereby expressly authorized to disregard, in its sole discretion, any and all notices or warnings given by any of the parties to this Agreement, or by any other person or corporation, but Escrowee is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case Escrowee obeys or complies with any such order, judgment or decree of any court, it shall not be liable to any of the parties to this Agreement or any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being entered without jurisdiction or being subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding this Agreement, to which Escrowee is or may be at any time become a party, Escrowee shall have a lien on the escrow funds for any and all costs and attorneys' fees, whether such attorney shall be regularly retained or specifically employed, and any other expenses that Escrowee may have incurred or become liable for an account thereof out of said escrow funds, and the parties to this

Agreement jointly and severally agree to pay Escrowee upon demand all such costs, fees and expenses so incurred.

4. * In no case shall escrow funds be surrendered except on a joint order signed by Developer and the City or their respective legal representatives or successors or as directed pursuant to Section 3 above or in obedience of the process or order of court as provided in this Agreement.

5. If conflicting demands are made upon Escrowee or legal action is brought in connection with this Agreement, Escrowee may withhold all performance without liability therefore, or Escrowee may file suit for interpleader or declaratory relief. If Escrowee is required to respond to any legal summons or proceedings, or if any action of interpleader or declaratory relief is brought by Escrowee, or if conflicting demands or notice by parties to this Agreement or by others are served upon Escrowee, the parties jointly and severally agree to pay escrow fees and all costs, expenses, and attorneys' fees expended or incurred by Escrowee as a result of any of the above described events. The undersigned parties further agree to save Escrowee harmless from all losses and expenses, including reasonable attorneys' fees and court costs incurred by reason of any claim, demand, or action filed with respect to this Agreement. The undersigned jointly and severally agree to pay the fees of Escrowee and reimburse Escrowee for all expenses incurred in connection with this Agreement and direct that all sums due to Escrowee pursuant to this Agreement be deducted from the escrow funds. The undersigned hereby grant Escrowee a lien against the escrow funds to secure all sums due Escrowee. The Escrowee shall not be liable for any act which it may do or omit to do hereunder in good faith and the reasonable exercise of its own best judgment. Any act done or omitted by the Escrowee pursuant to the advice of its legal counsel shall be deemed conclusively to have been performed in good faith by the Escrowee.

6. This Agreement is intended to implement, is not intended to cancel, supersede or modify the terms of the RDA, or any agreement by and between Developer and the City. The duties and responsibilities of Escrowee are limited to this Agreement and the Escrowee shall not be subject to nor obligated to recognize any other agreement between the parties, provided, however, that these escrow instructions may be amended at any time by an instrument in writing signed by all of the undersigned.

7. Developer and the City warrant to and agree with Escrowee that, unless otherwise expressly set forth in this Agreement: (a) there is no security interest in the escrow funds or any part thereof; (b) no financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the escrow funds or any part thereof; and (c) Escrowee shall have no responsibility at any time to ascertain whether or not any security interest exists in the escrow funds or any part thereof or to file any financing statement under the Uniform Commercial Code with respect to the escrow funds or any part thereof.

8. The fee for establishing the escrow is \$ _____, payable by Developer at the time the escrow funds are deposited. An annual fee of \$ _____ will be due from Developer for each year (or part thereof) the Escrow remains open (with any part of the deposit not disbursed) after _____, 20____. Wire transfer or

overnight delivery fees will be assessed at the rate of \$ _____ each. All fees relating to this escrow account shall be billable to and payable solely by Developer. Funds from the escrow account may not be used to pay such fees.

9. _____ may resign as Escrowee by giving ten (10) days prior written notice by certified mail, return receipt requested, sent to Developer and the City care of their designated representatives and at the addresses set forth below; and thereafter Escrowee shall deliver all remaining escrow funds to a successor Escrowee named by Developer and the City in a joint written and signed order. If Developer and the City do not agree on a successor Escrowee, then Escrowee shall deliver all remaining escrow funds to the City.

10. This Agreement shall terminate upon the earliest of: (i) Escrowee's receiving notice from both Developer and the City that Developer has obtained a Final NFR Letter; or (ii) the date on which all funds in the escrow account have been disbursed. On termination, all remaining escrow funds, if any, and accumulated interest on the escrow funds shall be paid to the City.

11. Any notice which the Parties hereto are required or desire to give hereunder to any of the undersigned shall be in writing and may be given by mailing or delivering the same to the address of the undersigned by certified mail, return receipt requested, overnight courier or telecopier transmission with confirmation following by first class mail:

Developer:

3129 South Shields Avenue
Chicago, Illinois 60616
Attn:

City:
City of Chicago
Department of Planning & Development 121 North LaSalle
Street, Room 1000 Chicago, Illinois 60602 Attn:
Commissioner

Escrowee:

Attention: Tel: 312-E-mail:

By:
Name:
Its:

By:
Name:
Its:

ESCROWEE:

By:
Name:
Its:

LEGAL DESCRIPTION OF PROPERTY

LOTS 2, 3, 6, 7 AND 10 (EXCEPT THAT PART LYING NORTHERLY OF THE SOUTHERLY LINE OF THAT PART THEREOF USED AS A RIGHT OF WAY BY THE UNION STOCKYARDS AND TRANSIT COMPANY) IN BLOCK 4 IN TAYLOR'S AND KREIGH'S SUBDIVISION OF THE EAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 38, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

ADDRESS: 4021 SOUTH NORMAL AVENUE CHICAGO,
ILLINOIS 60609

PIN: 20-04-111-003 20-04-111-010

Disbursement Direction

I, _____, the _____ of MICO EXPRESS, LLC, hereby direct _____, Escrowee, under its Escrow Number _____ to pay to _____ the sum of \$ _____ from the cash Deposit held in said Escrow.

Dated: _____ MICO EXPRESS, LLC

By:
Name:
Its:

I, _____, the _____ [Commissioner / Deputy Commissioner / Managing Deputy Commissioner / Assistant Commissioner] of the City of Chicago Department of Planning and Development, hereby authorize the Disbursement requested above approving its payment as so directed.

Dated: _____ City of Chicago, acting by and through its Department of Planning and Development

By:
Name:
Its:

(sub) Exhibit 3 to Joint Order Escrow Agreement

The undersigned has served as the environmental consultant to the Developer and hereby certifies that the accompanying joint written order seeks funds to reimburse the Developer for "Approved Environmental Costs" incurred by Developer as defined in, and determined and governed by, (sub) Exhibit 4 to Joint Order Escrow Agreement to the MICO Express, LLC Agreement for the Sale and Redevelopment of Land among Chicago Title Land Trust Company ut dated 11/9/15 aka Trust No. 8002369748 (the "RDA"), Developer and the City of Chicago, dated _____, 2018

Dated:

[environmental consultant]

By: _ Name: Title:

(sub) Exhibit 4 to Joint Order Escrow Agreement

APPROVED ENVIRONMENTAL COSTS

The Escrow Deposit will be used to complete the City-approved Remediation Work associated with the Remediation Costs. Remediation Costs include:

- Excavation, transportation and disposal of hazardous lead contaminated soils;
- Excavation, transportation and disposal of soils as Subtitle D in the landscape areas;
- Import and compaction of 2 feet of CA-6, and 1 foot of topsoil, in the landscape areas, or an alternative approved by the SRP;
- Incremental costs for disposal for the detention basin soils, defined as the difference between tipping fees for clean construction debris ("CCD") and tipping fees for special waste; and
- Asphalt paving, for areas that are being paved only to form an engineered barrier, not areas that would have been paved as part of the Project.

Such environmental costs must be based on the Developer's actual costs, verified by actual receipts, with no markup by the Developer for these costs. Such receipts must include hourly billing rates for the prime Environmental Consultant and any environmental subcontractors hourly billing rates proposed by Developer and approved by the City, which approval shall not be unreasonably withheld, conditioned or delayed.

AGREEMENT EXHIBIT D [intentionally omitted]

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AGREEMENT EXHIBIT E FORM OF RECONVEYANCE DEED (ATTACHED)

[NOT ATTACHED FOR PURPOSES OF ORDINANCE]

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AGREEMENT EXHIBIT F [intentionally omitted]

61

AGREEMENT EXHIBIT G BUDGET (ATTACHED)

[NOT ATTACHED FOR PURPOSES OF ORDINANCE]

62

AGREEMENT EXHIBIT H PERMITTED

LIENS

1. [The lien of general real estate taxes and special assessments not yet due and payable.]

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AGREEMENT EXHIBIT I FORM OF LEGAL OPINION (ATTACHED)

[NOT ATTACHED FOR PURPOSES OF ORDINANCE]

64

AGREEMENT EXHIBIT J CONSTRUCTION SCHEDULE (ATTACHED)

[NOT ATTACHED FOR PURPOSES OF ORDINANCE]

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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

April 18,2018

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

Ladies and Gentlemen:

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

Your favorable consideration of these ordinances will be appreciated.

Mayor

Very truly yours,

JOSEPH A. MOORE

ward49@cityofchicago.org www.ward49.com
Alderman, 49th Ward 7356 North Greenview Avenue Chicago, Illinois 60626 Telephone 773-338-5796

CITY COUNCIL

CITY OF CHICAGO COUNCIL CHAMBER

City Hall, Room 200 121 North LaSalle Street Chicago, Illinois 60602 Telephone 312-744-3067

COMMITTEE MEMBERSHIPS

HOUSING AND REAL ESTATE

Chairman

Budget and Government Operations

Committees, Rules and Ethics

Education and Child Development

Finance

Health and Environmental Protection

Human Relations

Special Events, Cultural Affairs and Recreation

May 23, 2018

To the President and Members of the City Council:

Your Committee on Housing and Real Estate, for which a meeting was held on May 7, 2018, having had under consideration the ordinance introduced by Mayor Rahm Emanuel on April 18, 2018, this being the negotiated sale of City-owned property at 4021 S. Normal Ave. to MICO Express LLC, begs leave to recommend that Your Honorable Body Approve said ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of all committee members present with no dissenting votes.

Respectfully submitted,