



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Details (With Text)

File #: O2012-4980
Type: Ordinance
File created: 7/25/2012
Status: Passed
In control: City Council
Final action: 9/12/2012
Title: Redevelopment agreement with Hillshire Brands
Sponsors: Emanuel, Rahm
Indexes: Redevelopment
Attachments: 1. O2012-4980.pdf, 2. O2012-4980.pdf

Date	Ver.	Action By	Action	Result
9/19/2012	1	Office of the Mayor	Signed by Mayor	
9/12/2012	1	City Council	Passed	Pass
9/10/2012	1	Committee on Finance	Recommended to Pass	Pass
7/25/2012	1	City Council	Referred	

CHICAGO September 12,2012

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

A communication recommending a proposed ordinance concerning the authority to enter into and execute a
Redevelopment Agreement with Hillshire Brands Company.
02012-4980

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed Ordinance Transmitted Herewith

This recommendation was concurred in by **(aCi^a voce vnt^**
of members of the committee with **dissenting vote(s).**

Respectfully submitted

1

(signed)

7

Chairman

Document No.

REPORT OF THE COMMITTEE ON FINANCE TO THE CITY COUNCIL CITY OF CHICAGO

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL

July 25, 2012

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing and Economic Development, I transmit herewith an ordinance authorizing the execution of a redevelopment agreement for Hillshire Brands.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

i

ORDINANCE

WHEREAS, pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on November 12, 1998 and published at pages 81881 through 81974 of the Journal of the Proceedings of the City Council (the "Journal") of such date, and pursuant to an amending ordinance adopted by the City Council on June 19, 2002 and published at pages 88202 through 88215 of the Journal of such date, a certain redevelopment plan and project (as amended, the "Plan") for the Canal/Congress Tax Increment Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on November 12, 1998 and published at pages 81974 through 81982 of the Journal of such date, and pursuant to an amending ordinance adopted by the City Council on June 19, 2002 and published at pages 88202 through 88215 of the Journal of such date, the Area, as amended, was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, pursuant to an ordinance adopted by the City Council on November 12, 1998 and published at pages 81982 through 81990 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs (as defined in the Act) incurred in the Area pursuant to the Plan; and

WHEREAS, Hillshire Brands Company, a Maryland corporation (the "Company"), which company was formerly known as Sara Lee Corporation, entered into an office lease with the owner of an office building located at 400 South Jefferson Street, Chicago (the "Building"), for the purpose of relocating the national corporate headquarters of the Company to approximately 221,089 rentable square feet of space within the Building (the "Space") and continuing its headquarters operations therein. The Company shall undertake substantial rehabilitation and reconstruction of the Space (the "Rehabilitation Project") necessary to permit the Company and its affiliated entities to take possession thereof in accordance with the terms of the lease. The Rehabilitation Project and the use of the Space as the Company's sole headquarters for a period of years are collectively referred to herein as the "Project;" and

WHEREAS, the Company proposes to undertake the Project in accordance with the Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Company and the City, including but not limited to the completion of the Project; and

WHEREAS; pursuant to Resolution 11-CDC-47, adopted by the Community Development Commission of the City of Chicago (the "Commission") on December 13, 2011, the Commission recommended that the Company be designated as the developer for the Project and that the City's Department of Housing and Economic Development ("HED") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement

U:\TIFAgmts <file:///U:/TIFAgmts>, RIFs\Hillshire Brands RA\Ordinance 2.wpd

1

with the Company for the Project; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

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

SECTION 3. The Mayor of the City or a designee of the Mayor, and the Commissioner of HED (the "Commissioner") or a designee of the Commissioner, are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Company and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary 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 s--.

SECTION 4. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 5. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. This ordinance shall be in full force and effect immediately upon its passage.

U:\TIF <file:///U:/TIF> Agmts, RIFs\Hillshire Brands RA\Ordinance 2.wpd

<

Exhibit A Redevelopment Agreement

[see attached]

U:\TIF <file:///U:/TIF> Agmts, RIFsXHillshire Brands RA\Ordinance 2.wpd

HILLSHIRE BRANDS COMPANY REDEVELOPMENT AGREEMENT
(Canal/Congress TIF Area)

BY AND BETWEEN

THE CITY OF CHICAGO AND
HILLSHIRE BRANDS COMPANY

DRAFT

TABLE OF CONTENTS

PAGE

8	Insurance	17
9	Opinion of the Developer's Counsel	17
10	Evidence of Prior Expenditures	17

11	Financial Statements	.17
12	Documentation. . .	.17
14	Corporate Documents; Economic Disclosure Statement	17
15	Litigation	18
16	Leases	18
SECTION 6. AGREEMENTS WITH CONTRACTORS		18
1	Bid Requirement for General Contractor and Subcontractors	18
2	Construction Contract	19
3	Performance and Payment Bonds	19
4	Employment Opportunity	19
5	Other Provisions	..19
SECTION 7. COMPLETION OF CONSTRUCTION		2 0
1	Certificate of Completion of Construction	20
2	Effect of Issuance of Certificate; Continuing Obligations	21
3	Failure to Complete	21
4	Notice of Expiration of Term of Agreement	22
SECTION 8. COVENANTS/REPRESENTATIONS/AVARRANTIES OF THE DEVELOPER		22
1	General	. 22
2	Covenant to Redevelop	24
3	Redevelopment Plan	24
4	Use of City Funds	... 24
5	Other Bonds	24
6	Job Creation and Retention; Covenant to Keep Headquarters in the City . .	24
7	Employment Opportunity; Progress Reports	2 6
8	[intentionally omitted]	27
9	Prevailing Wage	2 7
10	Arms-Length Transactions	27
11	Conflict of Interest	2 7
12	Disclosure of Interest	27
13	Financial Statements	27
14	Insurance	28

DRAFT

15	Non-Governmental Charges	2 8
16	Developer's Liabilities	28
17	Compliance with Laws	29
18	intentionally omitted].	2 9

19	Real Estate Provisions	2 9
20	Letter of Credit Covenant	31
21	[intentionallyomitted]	32
22	Limitation on Lease Amendments	32
23	LEED Covenant	.. 32
24	Job Readiness Program	32
25	Annual Compliance Report	32
26	Survival of Covenants	.33
SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY		3 3
1	General Covenants	33
2	Survival of Covenants	3 3
SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS		. 33
1	Employment Opportunity	33
2	City Resident Construction Worker Employment Requirement	3 5
10.03	MBEAVBE Commitment	3 6
SECTION 11. ENVIRONMENTAL MATTERS		3 9
SECTION 12. INSURANCE		39
SECTION 13. INDEMNIFICATION		4 3
13.01	General Indemnity	4 3
SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT . .		44
1	Books and Records . .	44
2	Inspection Rights	.44
SECTION 15. DEFAULT AND REMEDIES		44
1	Events of Default	44
2	Remedies	46
3	Curative Period	4 6
SECTION 16. INTENTIONALLY OMITTED		4 6
SECTION 17. NOTICE		4 7
SECTION 18. MISCELLANEOUS		4 8
1	Amendment	4 8
2	Entire Agreement	4 8

DRAFT

3	Limitation of Liability	48
4	Further Assurances	4 8
5	Waiver	...; 49
6	Remedies Cumulative	4 9
7	Disclaimer 4 9

8	Headings	49
9	Counterparts	49
10	Severability	49
11	Conflict	49
12	Governing Law	49
13	Form of Documents	50
14	Approval	50
15	Assignment	50
16	Binding Effect	50
17	Force Majeure	50
18	Exhibits	51
19	Business Economic Support Act	51
20	Venue and Consent to Jurisdiction	51
21	Costs and Expenses	51
22	Business Relationships	51

LIST OF EXHIBITS

Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi Exhibi
tA
tB
tC
tD#
tE#
tF
tG
tH-1
tH-2
tI#
tJ
tK
tL
tM
tN#
Redevelopment Area Property; Developer Space TIF-Eligible Improvements Redevelopment Plan
Construction Contract n/a
[intentionally omitted]
Project Budget
MBE/WBE Budget
Approved Prior Expenditures
Form of Opinion of Developer's Counsel
Prior Obligations in Canal/Congress TIF Area
Jobs Certificate Form
Requisition Form

Form of Payment Bond

indicates which exhibits will not be included in the ordinance packet

DRAFT

HILLSHIRE BRANDS COMPANY REDEVELOPMENT AGREEMENT

This Hillshire Brands Company Redevelopment Agreement (this "Agreement") is made as of _____, 2012 by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("HED"), and Hillshire Brands Company, a Maryland corporation (the "Developer"), formerly known as Sara Lee Corporation.

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") enacted three ordinances on November 12, 1998, one approving the Canal/Congress Tax Increment Financing Redevelopment Project and Plan, one creating the Canal/Congress Tax Increment Financing Redevelopment Project Area, and one adopting tax increment allocation financing for said Area (the latter ordinance, the "TIF Adoption Ordinance"). The Canal/Congress Tax Increment Financing Redevelopment Project and Plan and the Canal/Congress Tax Increment Financing Redevelopment Project Area were amended by an ordinance enacted June 18, 2002, entitled: "Approval of Amendment Number 1 to Canal/Congress Tax Increment Financing Redevelopment Project and Plan" (all of the above ordinances collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above, as amended (the "Redevelopment Area"), is legally described in Exhibit A hereto.

D. The Project: The Developer has entered into an office lease (the "Lease") with 400 S. Jefferson (Chicago), LLC (the "Building Owner"), the owner of certain property located

DRAFT

within the Canal/Congress Redevelopment Project Area located at 400 South Jefferson Street,. Chicago (the "Property"), which Property is improved with an office building (the "Building") operated by the Building Owner. The Developer, formerly known as the Sara Lee Corporation, after spinning off its current international beverage and related division, intends to relocate its national corporate headquarters to the Property. The Lease commences on or about January 1, 2013, with right of entry to begin on or about July 1, 2012. The Developer is leasing approximately 221,089 rentable square feet of space (the "Developer Space") within the Building for an initial period of 15 years (e.g., through December 31, 2027), subject to such early termination rights and renewal rights as are set forth in the Lease (the "Lease Term"). The Property and the Developer Space are legally described on Exhibit B hereto.

Beginning prior to the issuance of the Certificate (as defined herein), and terminating on the date that is 10 years after the date the City issued the Certificate, the Developer shall maintain its Headquarters (defined herein) at the Developer Space, as set forth in more detail in Section 8.06 herein.

The Developer shall create a substantial public benefit by employing not fewer than 500 full-time equivalent employees, including all senior executive officers and employees, within the Developer Space during the entire Headquarters Maintenance Compliance Period (as defined in Section 8.06 herein).

Developer shall undertake substantial tenant improvements necessary to permit the Developer to take possession of the Developer Space in accordance with the terms of the Lease. The rehabilitation of the Developer Space (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Rehabilitation Project." The Rehabilitation Project and the use of the Developer Space as the Headquarters are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

The Parties hereby acknowledge that the Lease Term extends beyond the expiration date of the Redevelopment Area.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Canal/Congress Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as Exhibit D.

-2-

DRAFT

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

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(d) hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Eligible Improvements not previously paid for from Incremental Taxes.

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

SECTION 1. RECITALS

The foregoing recitals are hereby incorporated into this agreement by reference.

SECTION 2. DEFINITIONS

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

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

"Actual Residents of the City" shall mean persons domiciled within the City, as set forth in more detail in Section 10.02 hereof.

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

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

following: (1) compliance with the Headquarters Covenant (Section 8.06); (2) compliance with the Jobs Covenant (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) delivery of a substitute Letter of Credit, if applicable (Section 8.20); (7) delivery of evidence that the LEED Covenant was met (Section 8.23) and that LEED Certification has been obtained or, if not obtained, is being vigorously pursued, and (8) compliance with all other executory provisions of the RDA.

"Available Incremental Taxes" shall mean, for each payment, an amount equal to (a) 90% of the Incremental Taxes on deposit in the Canal/Congress Redevelopment Project Area TIF Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, minus (b) 100% of that portion of the amount of outstanding and committed obligations enumerated in Exhibit K hereto that has been paid or is due to be paid for the calendar year prior to the year in which the Requisition Form for such payment is received by the City.

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

"Building Owner" shall have the meaning set forth in the Recitals hereof.

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

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

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

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

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

-4-

DRAFT

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

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as

Exhibit E, entered into between the Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" shall mean the City's Office of Corporation Counsel.

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

"Developer Cure Period" shall have the meaning set forth in Section 8.06 hereof.

"Developer Space" shall have the meaning set forth in the Recitals hereof.

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

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

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project and unencumbered by any other obligation, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns).

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

"Final Payment" shall have the meaning set forth in Section 4.03(c) hereof.

-5-

DRAFT

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

"First Additional Jobs Covenant" shall have the meaning set forth in Section 8.06 hereof.

"First Additional Jobs Maintenance Compliance Period" shall have the meaning set forth in Section 8.06

hereof.

"Full-Time Equivalent Employee" or "FTE" shall mean a permanent full-time position of the Developer (or, with respect to job shares or similar work arrangements, such employees taken collectively) that requires work hours totaling at least 35 hours per week and 1750 work hours per year, and that is based in the Developer Space during the applicable month. FTE shall not include persons employed as independent contractors, third party service providers or consultants. FTE shall also not include persons employed by the Developer, an Affiliate or third parties in positions ancillary to the Developer's operations such as food service workers, security guards, cleaning personnel, or similar positions.

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

"Headquarters" shall mean that the Developer Space is the sole national corporate office location of all executive offices and operations of (a) the Developer or (b) any assignee of Developer or successor mortgagee of the Developer Space that has received the express prior written consent of the City, and therefore that the Developer Space is the primary office location of, at minimum, the following executive positions and titles: the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the President, the General Counsel, the Corporate Secretary, and similar senior positions of the Developer. In the event that the Developer, or substantially all of the assets of Developer, is acquired by another entity during the Term of this Agreement, the term "Headquarters" shall also mean the primary office location for an operational division of the acquiring entity.

"Headquarters Maintenance Compliance Period" shall have the meaning set forth in Section 8.06 hereof.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected

-6-

DRAFT

are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the Canal/Congress Special Tax Allocation Fund for the Redevelopment Area established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Jobs Certificate" shall mean the Jobs Certificate attached hereto as Exhibit L.

"Jobs Maintenance Compliance Period" shall have the meaning set forth in Section 8.06 hereof.

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

"Lease Term" shall have the meaning set forth in the Recitals hereof.

"LEED Certification" shall mean a Commercial Interiors Certified certification, Edition 2009 version

2.0 (November 2011) under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System maintained by the U.S. Green Building Council, for the Developer Space as a whole.

"LEED Covenant" shall have the meaning set forth in Section 8.23 hereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and dedicated, with no contingencies thereon, for the purpose of paying for the Costs of the Project, in the amount set forth in Section 4.01 hereof.

"Letter of Credit" shall mean the initial irrevocable, standby transferable Letter of Credit naming the City as the sole beneficiary in the amount specified in Section 8.20 and delivered to the City pursuant to Section 8.20 hereof, and, unless the context or use indicates another or different meaning or intent, any substitute Letter of Credit delivered to the City, in form and substance satisfactory to the City in its sole and absolute discretion, and any extensions thereof.

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

"MBEAVBE Budget" shall mean the budget attached hereto as Exhibit H-2. as described in Section 10.03.

-7-

DRAFT

"Material Amendment" shall mean an amendment (other than as described in the last sentence of this paragraph) of the Lease the net effect of which is to directly or indirectly do any of the following: shorten the initial 15-year term of the Lease or grant additional early termination rights that, if exercised, would shorten the initial 15-year term of the Lease so that the Lease term will terminate during the Term of this Agreement (other than those termination rights already set forth in the Lease). Reductions or expansions of space shall not constitute Material Amendments.

"Minimum Jobs Covenant" shall have the meaning set forth in Section 8.06 hereof.

"Municipal Code" shall mean the Municipal Code of the City of Chicago.

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

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

building permits for the Rehabilitation Project.

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

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

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

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

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

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

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/1 I-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

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

-8-

DRAFT

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

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

"Second Additional Jobs Covenant" shall have the meaning set forth in Section 8.06 hereof.

"Second Additional Jobs Maintenance Compliance Period" shall have the meaning set forth in Section 8.06 hereof.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the later of (a) the termination of the Headquarters Maintenance Compliance Period, or (b) the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2030).

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

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

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

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

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

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

"WBEfs)" 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.

-9-

DRAFT

SECTION 3. THE PROJECT

1 The Project. With respect to the Rehabilitation Project, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction of the Project not later than July 1, 2012; and (ii) complete construction and conduct business operations within the Project site not later than January 1, 2013.

2 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to FJED and HED has approved same. After such initial approval, subsequent proposed changes hereof to the Scope Drawings or Plans and Specifications which require the City's approval under Section 3.04 shall be submitted to HED as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3 Project Budget. The Developer has furnished to HED, and HED has approved, a Project Budget showing total costs for the Project in an amount not less than \$30,142,963. The Developer hereby certifies to

the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Rehabilitation Project. The Developer hereby certifies to the City that (a) it has Lender Financing and Equity and a tenant improvement allowance in an amount sufficient to pay for all Rehabilitation Project costs; and (b) the Project Budget is true, correct and complete in all material respects.

4 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Rehabilitation Project must be submitted by the Developer to HED concurrently with the progress reports described in Section 3.07 hereof; provided, however, that any Change Order relating to any of the following must be submitted by the Developer to HED for HED's prior written approval: (a) a change in the use of the Developer Space to any use other than as the Headquarters for the Developer; or (b) a delay in the completion of the Project exceeding six months. The Developer shall not authorize or permit the performance of any work relating to any Change Order requiring the City's approval hereunder or the furnishing of materials in connection therewith prior to the receipt by the Developer of HED's written approval (to the extent required in this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the

-10-

DRAFT

amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require HED's prior written approval as set forth in this Section 3.04, but HED shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to HED the source of funding therefor.

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

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

7 **Progress Reports.** The Developer shall provide HED with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring HED's written approval pursuant to Section 3.04").

8 Inspecting Agent or Architect, [intentionally omitted]

9 Barricades, [intentionally omitted]

10 Public Relations. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer and the Project in the City's promotional literature and communications. The City will in good faith attempt to give Developer an opportunity to comment on such proposed literature or communications.

11 Utility Connections, [intentionally omitted]

-11-

DRAFT

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

SECTION 4. FINANCING

1 Total Project Cost and Sources of Funds. The cost of the Rehabilitation Project is estimated to be \$30,142,963, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity, Lender Financing or tenant improvement \$30,142,963 allowance (subject to Sections 4.03(b) and 4.06)

ESTIMATED TOTAL \$30,142,963

2 Developer Funds. Equity, tenant improvement allowance and/or Lender Financing shall be used to pay any Rehabilitation Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Eligible Improvements.

3 City Funds.

a) Uses of City Funds. City Funds may only be used to reimburse the Developer for costs of TIF-Eligible Improvements that constitute Redevelopment Project Costs (e.g., primarily for interior office space build-out construction and rehabilitation costs). Exhibit C sets forth, by line item, the TIF-Eligible Improvements for the Rehabilitation Project, and the maximum amount of costs that may be reimbursed from City Funds for each line item therein (subject to Section 4.03(b)), contingent upon receipt by the City of

documentation satisfactory in form and substance to HED evidencing such cost and its eligibility as a Redevelopment Project Cost City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate.

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

Source of City Funds

Maximum Amount

-12-

DRAFT

Available Incremental Taxes and/or
TIF Bond Proceeds \$6,500,000

provided however, that if actual total Project costs are less than \$24,114,370, then the Maximum Amount of City Funds provided under this Redevelopment Agreement shall be reduced by 50 cents for every one dollar reduction in total Project costs below \$24,114,370; and provided further, however, that the \$6,500,000 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any, shall be available to pay costs related to TIF-Eligible Improvements and allocated by the City for that purpose only so long as the amount of the Available Incremental Taxes deposited into the Canal/Congress TIF Fund shall be sufficient to pay for such costs.

(c) Disbursements of City Funds. Subject to reductions in amounts pursuant to the operation of other portions of this Agreement, the City shall commence paying City Funds, in lump sum amounts, to Developer as reimbursement for any TIF-Eligible Improvements, pursuant to the following schedule; provided, however, that each payment of City Funds is expressly contingent upon HED having first received, along with the Requisition Form, documentation satisfactory in form and substance to HED (including Developer's filing of a Jobs Certificate) evidencing Developer's compliance with the applicable Headquarters and jobs covenants then due, as set forth in Section 8.06 hereof.

Date of Payment:

**Maximum Amount of Each Payment,
Special Conditions on Certain Payments:**

First Payment: First one of the following amounts, depending on whether certain Spec following the first an been met: - \$ 1,000,000 if the LEED Covenant is acknowledged i issuance of the Certifhaving been met; - \$750,000 if the LEED Covenant is not acknow Certificate as having been met

Second Payment: First day of the first mon\$1,000,000 issuance of the Certificate

-13-

DRAFT

Third Payment: First day of the first month following the third anniversary of the issuance of the Certificate \$1,000,000

Fourth Payment: First day of the first month following the fourth anniversary of the issuance of the Certificate \$1,000,000

Fifth Payment: First day of the first month following the fifth anniversary of the issuance of the Certificate \$1,000,000

Sixth Payment: First day of the month following the sixth anniversary of the issuance of the Certificate One or both of the Additional Payments (described below) in the event the First and/or Second Additional Jobs Covenants have been met between the date of the Fifth and Sixth Payment

Additional Payments. On any of the First through Sixth Payment dates \$750,000 if Developer has met the First Additional Jobs Covenant in the preceding year. \$750,000 if Developer has met the Second Additional Jobs Covenant in the preceding year. \$1,500,000 if Developer has met the First and Second Additional Jobs Covenant in the preceding year.

Example; If the Certificate is issued on April 15, 2013, then the first payment to be made pursuant to the table above shall be made on May 1, 2014.

The date of the final payment from the City to Developer hereunder is hereinafter referred to as the "Final Payment."

4.04 Requisition Form. Developer shall not file a Requisition Form until at least nine months after the issuance of the Certificate. Thereafter, in order to request each disbursement of the City Funds, the Developer shall provide HED with a Requisition Form, along with the documentation described therein, not later than' 60 days prior to the corresponding Date of Payment set forth in Section 4.03(c) above.

-14-

DRAFT

5 Treatment of Prior Expenditures; Allocations.

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

b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Eligible Improvements may be allocated to and charged against the appropriate line in Exhibit C only, with transfers of costs and expenses from one line item to another requiring the prior written consent of HED; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of HED; and further provided that any amounts budgeted as contingency may be transferred to any line item without consent..

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

7 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement.

8 Cost of Issuance. The Developer shall be responsible for paying all costs relating to the opinion described in Section 5.09 hereof.

SECTION 5. CONDITIONS PRECEDENT

-15-

DRAFT

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

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

2 Scope Drawings and Plans and Specifications. The Developer has submitted to HED, and HED previously has approved pursuant to Section 3.02, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02 hereof.

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

4 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing and other sources of funds in the amounts set forth in Section 4.01 hereof to complete the Rehabilitation Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the other sources set forth in Section 4.01) to complete the Rehabilitation Project. The Developer has delivered to HED a copy of the construction escrow agreement entered into by the Developer regarding the Lender Financing, if any.

5 Acquisition and Title: [intentionally omitted]

6 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name, as follows:

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
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

-16-

DRAFT

showing no liens against the Developer, the Developer Space or any fixtures now or hereafter affixed thereto which would materially interfere with Developer's ability to complete the Project.

7 Surveys, [intentionally omitted]

8 Insurance. The Developer, at its own expense, has insured the Developer Space in accordance with

Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to HED.

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

10 Evidence of Prior Expenditures. The Developer has provided evidence satisfactory to HED in its sole discretion of the Prior Expenditures, if any, in accordance with the provisions of Section 4.05(a) hereof.

11 Financial Statements. The Developer has provided Financial Statements to HED for its most recent fiscal year, and Developer's Form 10 Q Quarterly Report as most recently filed with the United States Securities and Exchange Commission and the two prior fiscal years thereto.

12 Documentation. The Developer shall have provided evidence satisfactory to HED, in its sole discretion, with respect to its ability to satisfy MBE/WBE and City resident employment standards. Such documentation shall include, without limitation, an MBE/WBE utilization plan, including Schedules C and D, and evidence of the General Contractors having met with, and having provided bid documents to, applicable MBE/WBE contractors and subcontractors.

13 Environmental, [intentionally omitted]

14 Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which the Developer is qualified to do

-17-

DRAFT

business; secretary's certificates in such form and substance as the Corporation Counsel may require; by-laws of the corporation; and such other corporate documentation as the City has requested. Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

15 Litigation. The Developer has provided to Corporation Counsel and HED a description of all pending or threatened litigation or administrative proceedings involving the Developer as follows: (a) that Developer is otherwise required to publicly disclose, (b) that may affect the ability of Developer to perform its duties and obligations undertaken pursuant to this Agreement, (c) to which the City is a party, and (d) that involve the payment or non-payment of franchise, income, sales or other taxes to the State of Illinois, 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.

16 Leases. The Developer shall have delivered to HED a complete copy of the executed Lease, a completed copy of all other written agreements setting forth the Developer's and Building's understandings relating to the Developer's relocation to or occupancy of the Developer Space, and any financial agreements between the Developer and the Building (whether written or not) in any way relating to the Developer Space or the Lease.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The Developer has entered into an agreement with _____ as its General Contractor for construction of the Rehabilitation Project. The Developer hereby covenants that it shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit a summary of all General Contractor's bids received (a "Bid Summary") to HED for its inspection and written approval, which shall not be unreasonably withheld and which shall be given or denied in writing within 10 business days from receipt by HED. Each Bid Summary shall include the name of the contractor, the nature of the work, the price, the reason for selecting the successful bidder, a summary of the subcontracts comprising the General Contractor's bid, and other information as HED may request from time to time. For the TIF-Eligible Improvements, the Developer shall cause the General Contractor to select the subcontractors submitting the lowest responsible bids that can complete the Rehabilitation Project in a timely manner. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Eligible Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. The Developer shall submit copies of the Construction Contract to HED

-18-

DRAFT

in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Eligible Improvements shall be provided to HED within ten (10) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Rehabilitation Project until the Plans and Specifications have been approved by HED and all requisite permits have been obtained.

2 Construction Contract. The Developer has delivered to HED a copy of the Construction Contract with the General Contractor selected to handle the Rehabilitation Project in accordance with Section 6.01 above, and HED has approved same.

3 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit N hereto. The City shall be named as obligee or co-obligee on any such bonds.

4 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof; provided, however, that the

contracting, hiring and testing requirements for the MBE/WBE and City Residency obligations in Section 10 shall be applied on an aggregate basis as to the applicable portions of the entire Rehabilitation Project and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default under or termination of this Agreement or require the payment of the City resident hiring shortfall amount so long as such Section 10 obligations are satisfied on an aggregate basis for the entire Rehabilitation Project.

5 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Eligible Improvements shall be provided to HED within five (5) business days of the a written request from HED therefore.

-19-

DRAFT

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon proof provided to HED's satisfaction:

- i) that the Developer Space has been completed in accordance with the terms of this Agreement;
- ii) that the Developer has accurately stated the actual total Project costs it has expended on the Rehabilitation Project;
- iii) that Developer holds a valid certificate of occupancy for the Developer Space;
- iv) that Headquarters operations has been established by the Developer in the Developer Space in accordance with the terms of this Agreement;
- v) that the Developer met or exceeded the MBE, WBE, prevailing wage and City residency requirements of this Agreement for the Rehabilitation Project;
- vi) that at least 500 FTEs are employed at the Developer Space pursuant to the Minimum Jobs Covenant and demonstrated by the filing of a Jobs Certificate with HED;
- vii) that the Developer has incurred sufficient TIF-Eligible Improvements to meet or exceed the First

Payment of City Funds contemplated by this Agreement (e.g., \$1,000,000);

viii) that Developer has provided cancelled checks and lien waivers, or the General Contractors' final sworn statement and final lien waiver and invoice, for all amounts referenced in subsections (i), (v) and (vii) above;

ix) that Developer has provided a written statement of its commitment to timely commence the job readiness program with the Workforce Solutions Unit required under Section 8.24 hereof; and

x) upon the Developer's written request,

then HED shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Rehabilitation Project in accordance with the terms of this Agreement. HED shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement

-20-

DRAFT

detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

2 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the Rehabilitation Project and, upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

3 Failure to Complete. If the Developer fails to complete the Rehabilitation Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto; draw down the entire amount of the Letter of Credit, if issued (but only to the extent that City Funds have been disbursed to Developer as of that time); and the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of any TIF Bonds then outstanding.

-21-

DRAFT

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

SECTION 8. COVENANTS/REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER

8.01 General. The Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

a) Developer is a Maryland corporation duly organized, validly existing, qualified to do business in its state of incorporation/organization and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

b) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

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

d) the Developer remains bound by the Lease and is not in material breach of any portion of it;

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

f) there are no actions or proceedings by or before any court, governmental commission, board, bureau

or any other administrative agency pending, threatened or affecting the Developer which would impair its ability to perform under this Agreement;

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

-22-

DRAFT

(h) the Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound that would materially interfere with Developer's ability to complete the Project;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of 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;

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation which causes Developer (or its successor) to be unable to maintain a Headquarters in the Developer Space; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Developer Space (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity to the extent that such action would have an adverse effect on Developer's ability to perform its obligation under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) [intentionally omitted]

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

(m) neither the Developer nor any affiliate of the Developer is listed on any of the following lists

maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly,

-23-

DRAFT

through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

2 **Covenant to Redevelop.** Upon HED's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop, rehabilitate and build out the Developer Space in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances (including zoning ordinances), rules, regulations, executive orders and codes applicable to the Project, the Developer Space and/or the Developer.

3 **Redevelopment Plan.** The Developer represents that the Project is and shall be in substantial compliance with all of the terms of the Redevelopment Plan.

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

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

6 Job Creation and Retention; Covenant to Keep Headquarters in the City.

(a) Developer shall cause to be created, maintained and located at the Developer Space, not later than

the dates set forth herein, the following:

-24-

DRAFT

i) **prior to the issuance of the Certificate: create and/or relocate a net total of 500 FTEs at the Developer Space (the "Minimum Jobs Covenant");**

ii) beginning prior to the issuance of the Certificate, and terminating on the date that is 10 years after the date the City issued the Certificate (the "Jobs Maintenance Compliance Period"): show evidence to the City once annually that not fewer than 95% of 500 FTEs (e.g., not fewer than 475 FTEs) are located at the Developer Space; and

(iii) beginning prior to the issuance of the Certificate, and terminating on the date that is 10 years after the date the City issued the Certificate (the "Headquarters Maintenance Compliance Period"), the Developer shall maintain its sole Headquarters at the Developer Space.

(b) Developer may, at its option, and in order to qualify the Additional Payments, cause to be created, maintained and located at the Developer Space, not later than the dates set forth herein, the following:

i) **prior to the date of the sixth anniversary of the issuance of the Certificate: create and/or relocate, at the Developer Space, a net total of 75 FTEs in addition to the Minimum Jobs Covenant, of which additional FTEs at least 51 % are Actual Residents of the City (as such term is defined in Section 10.02 hereof) or, if less than 51 % of such FTEs are Actual Residents of the City, that the Developer has made a good faith effort at hiring Actual Residents of the City at the time they are hired (the "First Additional Jobs Covenant");**

ii) **prior to the date of the sixth anniversary of the issuance of the Certificate: create and/or relocate, at the Developer Space, a net total of 75 FTEs in addition to the sum of (a) the Minimum Jobs Covenant plus (b) the First Additional Jobs Covenant, of which additional FTEs at least 51% are Actual Residents of the City or, if less than 51% of such FTEs are Actual Residents of the City, that the Developer has made a good faith effort at hiring Actual Residents of the City at the time they are hired (the "Second Additional Jobs Covenant").**

If Developer meets the First Additional Jobs Covenant, then, beginning at that time and terminating on the date that is 10 years after the date the City issued the Certificate (the "First Additional Jobs Maintenance Compliance Period"), Developer shall show evidence to the City once annually that not fewer than 95% of 575 FTEs (e.g., not fewer than 547 FTEs) are located at the Developer Space.

-25-

DRAFT

If Developer meets the Second Additional Jobs Covenant, then, beginning at that time and terminating on the date that is 10 years after the date the City issued the Certificate (the "Second Additional Jobs Maintenance Compliance Period"), Developer shall show evidence to the City once annually that not fewer than 95% of 650 FTEs (e.g., not fewer than 618 FTEs) are located at the Developer Space.

c) The Developer shall file a Jobs Certificate, in the form set forth on Exhibit L hereto, with HED on or before the first day of the month that is one full month after completion of the Rehabilitation Project (but no earlier than February 1, 2013) and on each anniversary of that date thereafter for the Term of the Agreement (in conjunction with the Annual Compliance Report to be filed with HED on the same dates, as set forth in Section 8.25 hereof), certifying to its compliance with the relevant provisions of this Section 8.06 for the prior calendar year. Each Jobs Certificate filed with the City shall list the job titles of the 10 highest-paid FTEs whose primary offices are located at the Developer Space. By way of example, if the Rehabilitation Project is completed on January 27, 2013, the initial Jobs Certificate shall be due by Developer on or before March 1, 2013.

d) The Developer shall be entitled to two, one-year cure periods (each a "Developer Cure Period") during the Jobs Maintenance Compliance Period that cannot be consecutive years, provided, however, that if the cure period arises from a default under subsection (a)(i) hereof, the City shall not be obligated to issue the Certificate until such default is cured to the satisfaction of the City. Any year during which the Developer cures a Jobs Maintenance Compliance Period default shall not count toward the required 10 years of compliance or any other obligation of the Developer under the Agreement.

e) The parties agree that, notwithstanding any language in this Agreement to the contrary, there shall be no cure period for a default of the Headquarters Maintenance Compliance Period.

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City monthly until the Rehabilitation Project is fully completed. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to HED which shall outline, to HED's satisfaction, the manner in which the Developer shall correct any shortfall.

-26-

DRAFT

9 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Rehabilitation Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.

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

11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer Space. The ownership of publicly-traded shares of stock in the Developer is exempt from the representations, warranties and covenants of this sub-section 8.11.

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

13 Financial Statements. The Developer shall obtain and provide to HED Financial Statements for the Developer's fiscal year ended 2011 and for each fiscal year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements

-27-

DRAFT

as soon as reasonably practical following the close of each fiscal year and for such other periods as HED may request.

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

15 **Non-Governmental Charges.**

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

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

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

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

16 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay

-28-

DRAFT

any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify HED of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

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

18 [intentionally omitted]

19 Real Estate Provisions.

(a) Governmental Charges.

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

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

-29-

DRAFT

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

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

b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise HED thereof in writing, at which time

HED may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to HED by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

c) Real Estate Taxes.

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

ii) No Reduction in Real Estate Taxes.. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek, request the

-30-

DRAFT

Building Owner to seek, or apply for proceedings in order to lower the assessed value of all or any portion of the Developer Space or the Project.

iii) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, or request that the Building Owner object to or interfere with, on procedural or any other grounds, the filing of any underassessment complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer.

iv) Covenants Affecting the Developer Space. The parties agree that the restrictions contained in this Section 8.19(c) are covenants affecting the Developer Space. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Developer Space from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c).

8.20 Letter of Credit Covenant. To enhance the City's security with respect to the Headquarters Covenant, the Jobs Covenant, the Real Estate Taxes Covenant and other performance obligations of the Developer or its successor under this Agreement, the Developer and any successor to the Developer is required to deliver to the City an initial Letter of Credit simultaneous with the Developer's delivery to the City of the initial Requisition Form. Thereafter, and simultaneous with the Developer's delivery to the City of each subsequent Requisition Form, the Developer and its successor shall deliver to the City a substitute, replacement or amended Letter of Credit. In each case, the amount of the Letter of Credit delivered to the City shall be equal to the sum of (i) the aggregate amount of City Funds previously paid to Developer, plus (ii) the amount of additional City Funds scheduled to be paid to Developer pursuant to that Requisition Form. Each Letter of Credit shall expire on the fifth anniversary of the date of the Final Payment.

Notwithstanding anything in the prior paragraph to the contrary, the amount of the Letter of Credit may be reduced by the Developer, for the remainder of the term of the Letter of Credit, according to the following schedule; provided, however, that this schedule, or any part if it, may be extended for up to two years in the sole discretion of the City arising from the Developer invoking either or both of the Developer Cure Periods set forth in Section 8.06(d) hereof.

-31-

DRAFT

Date, unless extended by the City pursuant to the Developer Cure Period proviso above:	Maximum Amount of the Letter of Credit:
on the first anniversary of the date of the Final Payment	80% of the aggregate amount of City Funds previously paid to Developer
on the second anniversary of the date of the Final Payment	60% of the aggregate amount of City Funds previously paid to Developer
on the third anniversary of the date of the Final Payment	40% of the aggregate amount of City Funds previously paid to Developer
on the fourth anniversary of the date of the Final Payment	20% of the aggregate amount of City Funds previously paid to Developer
on the fifth anniversary of the date of the Final Payment	0% of the aggregate amount of City Funds previously paid to Developer

21 [intentionally omitted]

22 Limitation on Lease Amendments. Throughout the Term of this Agreement, the Developer shall not execute or consent to a Material Amendment without the prior written consent of HED, which consent shall be in HED's sole discretion.

23 LEED Covenant. On or before the date that Developer files its first Requisition Form, the Developer shall have provided evidence acceptable to the City (the "LEED Covenant") that LEED Certification has been applied for with the U.S. Green Building Council and is being vigorously pursued by Developer. A default under this Section 823 shall result in a \$250,000 permanent reduction in City Funds that shall be

adjusted in connection with the First Payment to Developer, as set forth in Section 4.03(c) hereof, regardless whether LEED Certification is later obtained for the Developer Space.

24 Job Readiness Program. Not later than six months after the completion of the Rehabilitation Project, the Developer shall commence and then undertake a job readiness program with the City, through the Workforce Solutions Unit of HED, to formulate an employment plan for the Project.

25 Annual Compliance Report. The Developer shall file an Annual Compliance Report for the prior calendar year with HED on each date upon which a Job Certificate is to be

-32-

DRAFT

filed with HED, as set forth in Section 8.06(c) hereof. If a given Annual Compliance Report is not timely filed, and thereafter the City provides written notice of said failure to Developer, then Developer shall have 10 business days following the date of the City letter to make the late filing to HED.

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

SECTION 9. COVENANTS/REPRESENTATIONS AND WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et

-33-

DRAFT

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

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

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

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

e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Rehabilitation 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 Developer Space, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis

for the City to pursue remedies under the provisions of Section 15.02 hereof.

-34-

DRAFT

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

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

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

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

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

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

At the direction of HED, affidavits and other supporting documentation will be required of the Developer, the General Contractor and each subcontractor to verify or clarify an

-35-

DRAFT

employee's actual address when doubt or lack of clarity has arisen.

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

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by 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, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

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

DRAFT

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

- 1) At least 24 percent by MBEs.
- 2) At least four percent by WBEs.

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

c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBFVWBE 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Rehabilitation Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Rehabilitation Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of HED.

d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Rehabilitation 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 Rehabilitation Project, and the responses received from such solicitation, the name and business address of each

-37-

DRAFT

MBE or WBE actually involved in the Rehabilitation 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 Rehabilitation Project for at least five years after completion of the Rehabilitation Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five Business Days' notice, 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 Rehabilitation Project.

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

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

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

-38-

DRAFT

Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

[intentionally omitted]

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

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

(ii) Commercial General Liability Insurance (Primary and Umbrella)

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

b) Construction

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed

-39-

DRAFT

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

Commercial General Liability Insurance (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project

completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

Automobile Liability Insurance (Primary and Umbrella)

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

Builders Risk Insurance

When the Contractor undertakes any construction, including improvements, betterments, and/or repairs, the Contractor shall provide, or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will " be part of the permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. The City of Chicago shall be named as an additional insured and loss payee.

Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be

-40-

DRAFT

maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

vi) Valuable Papers Insurance

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

vii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of one (1) year. The

City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

Term of the Agreement

- i) Prior to the execution and delivery of this Agreement and during construction of the Rehabilitation Project, All Risk Property Insurance in the amount of the full replacement value of the Developer Space. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.
- ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Developer Space. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

-41-

DRAFT

(d) Other Requirements

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

The insurance shall provide for 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer.

The Developer agrees that insurers shall waive rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within the Agreement documents or by law.

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under the Agreement.

The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

The Developer shall require the General Contractor, and all subcontractors to provide the

-42-

DRAFT

insurance required herein or Developer may provide the coverages for the General Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section (d)) of Developer unless otherwise specified herein.

If the Developer, General Contractor or any subcontractor desires additional coverages, the Developer, General Contractor and any subcontractor shall be responsible for the acquisition and cost of such additional protection.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase these requirements.

SECTION 13. INDEMNIFICATION

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

i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

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

iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this

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

iv) the Developer's failure to cure any misrepresentation in this Agreement or

-43-

DRAFT

any other agreement relating hereto;

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

1 Books and Records. The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to the Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at 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.

2 Inspection Rights. Upon five (5) business days' notice, any authorized representative of the City has access to all portions of the Rehabilitation Project and the Developer Space during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

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

(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,

-44-

DRAFT

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

d) [intentionally omitted]

e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the 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 the 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 the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the 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 the Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of the Developer (other than in connection with the acquisition of Developer or substantially all of its assets where a Headquarters is still maintained in the Developer Space).

(j) the Developer has not delivered evidence satisfactory to the City of the LEED Covenant within the time period specified in Section 8.23; or

-45-

DRAFT

(k) during the period that the Developer is required to maintain the Letter of Credit, the Letter of Credit will expire within thirty (30) calendar days and the Developer has not delivered a substitute Letter of Credit, in form and substance satisfactory to the City in its sole and absolute discretion, within twenty (20) calendar days before the expiration date of the Letter of Credit.

2 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements and may suspend disbursement of City Funds, or draw down the entire balance of the Letter of Credit. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

The City's sole remedy for failure to meet the LEED Covenant set forth in Section 823 shall be the right to seek reimbursement of \$250,000 of City Funds, unless the City Funds paid to Developer were already reduced by \$250,000 for said failure.

3 Curative Period. Unless otherwise specified elsewhere in this Agreement (e.g., in Section 8.06). in the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary (except for the non-curable Event of Default set forth in Section 8.25), an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

SECTION 16. [Intentionally Omitted]

-46-

DRAFT

SECTION 17. NOTICE

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

If to the City: City of Chicago
Department of Housing and Economic Development 121 North
LaSalle Street, Room 1000 Chicago, IL 60602 Attention:
Commissioner

With Copies To: City of Chicago
Department of Law
Finance and Economic Development Division 121 North LaSalle
Street, Room 600 Chicago, IL 60602

If to the Developer:

Prior to Completion of the Rehabilitation Project

Hillshire Brands Company
3500 Lacey Road i Downers Grove, Illinois 60515
Attention: Brian Hunter, Vice President, Real Estate and Facility Services

After Completion of the Rehabilitation Project

Hillshire Brands Company 400 S. Jefferson
St. Chicago, Illinois 60607
Attention: Brian Hunter, Vice President, Real Estate and Facility
Services

With Copies To: Bryan Cave LLP
161 N. Clark Street - Ste 4300 Chicago,
Illinois 60601

-47-

DRAFT

Attention: Gregory Hummel

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

SECTION 18. MISCELLANEOUS

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

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

3 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.

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

-48-

DRAFT

5 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this

Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall, constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

7 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.

8 Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

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

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

11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

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

-49-

DRAFT

13 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.

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

15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City, provided, however, that the Developer may assign its interest in this Agreement to an entity purchasing substantially all of Developer's assets whose collective net worth is greater or equal to that of Developer at the time of such assignment. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

17 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 any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give

-50-

DRAFT

written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18 Exhibits. All of the exhibits attached hereto are incorporated herein by reference.

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

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

States District Court for the Northern District of Illinois.

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

22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote On any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council

-51-

DRAFT

meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

-52-

DRAFT

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

HILLSHIRE BRANDS COMPANY, a Maryland corporation

Bv: _____ :

Its:

CITY OF CHICAGO, an Illinois municipal corporation, by and through
its Department of Housing and Economic Development

By:
Andrew J. Mooney, Commissioner

DRAFT

STATE OF ILLINOIS)

)SS

COUNTY OF COOK)

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

GIVEN under my hand and official seal this day of

Notary Public

My Commission Expires

(SEAL)

DRAFT

STATE OF ILLINOIS)

)SS

COUNTY OF COOK)

I, ■ _____, a notary public in and for the said County, in the State
aforesaid, DO HEREBY CERTIFY that Andrew J. Mooney, personally known to me to be the Commissioner of
the Department of Housing and Economic Development of the City of Chicago (the "City"), and personally
known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me
this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the

authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

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

Notary Public

My Commission Expires

EXHIBIT A

Canal/Congress Redevelopment Area [see attached]
CANAL/CONGRESS TTJF

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF HARRISON ST. AND THE WEST LINE OF CLINTON ST.:

THENCE NORTH ALONG THE WEST LINE OF CLINTON ST. TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 9.40 FEET OF LOT 24 IN THE SUBDIVISION OF BLOCK 53 IN SCHOOL SECTION ADDITION TO CHICAGO IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID EASTERLY EXTENSION AND THE NORTH LINE OF THE SOUTH 9.40 FEET OF LOT 24 IN THE SUBDIVISION OF BLOCK 53 IN SCHOOL SECTION ADDITION TO CHICAGO TO A LINE 113 FEET EAST OF AND PARALLEL WITH THE EAST LINE OF CLINTON ST.;

THENCE NORTH ALONG SAID LINE 113 FEET EAST OF AND PARALLEL WITH THE EAST LINE OF CLINTON ST. TO THE SOUTH LINE OF VAN BUREN ST.;

THENCE WEST ALONG SAID SOUTH LINE OF VAN BUREN ST. TO THE WEST LINE OF CLINTON ST.;

THENCE NORTH ALONG SAID WEST LINE OF CLINTON ST. TO THE NORTH LINE OF LOT 12 IN GORDON S. HUBBARD'S SUBDIVISION OF BLOCKS 45 AND 52 OF IN SCHOOL SECTION ADDITION TO CHICAGO IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID NORTH LINE OF LOT 12 IN GORDON S. HUBBARD'S SUBDIVISION TO THE WEST LINE THEREOF;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 12 IN GORDON S. HUBBARD'S SUBDIVISION AND THE SOUTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF VAN

BUREN ST.;

THENCE WEST ALONG SAID SOUTH LINE OF VAN BUREN ST. TO THE EAST LINE OF JEFFERSON ST.;

THENCE SOUTH ALONG SAID EAST LINE OF JEFFERSON ST. TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 24 FEET OF LOT 7 IN THE SUBDIVISION OF BLOCK 30 IN SCHOOL SECTION ADDITION TO CHICAGO IN THE

Order No. 9806013-R2 Chicago Guarantee Survey Co.,

123 W. Madison St., 1

August 10, 1998 Chicago, IL, 60602, (312)726-6880

WEST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 24 FEET OF LOT 7 BEING ALSO THE SOUTH LINE OF CONGRESS PARKWAY;

THENCE WEST ALONG SAID SOUTH LINE OF CONGRESS PARKWAY TO THE WEST LINE OF DESPLAINES ST.;

THENCE NORTH ALONG SAID WEST LINE OF DESPLAINES ST. TO THE NORTH LINE OF LOTS 17, 18 AND 19 IN G. F. BLANCHARD'S SUBDIVISION OF BLOCK 20 IN SCHOOL SECTION ADDITION TO CHICAGO IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID NORTH LINE OF LOTS 17, 18 AND 19 BEING ALSO THE SOUTH LINE OF TELDEN ST.;

THENCE WEST ALONG SAID SOUTH LINE OF TILDEN ST. TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF THE WEST 1 FOOT OF LOT 14 IN SAID G. F. BLANCHARD'S SUBDIVISION OF BLOCK 20 IN SCHOOL SECTION ADDITION TO CHICAGO;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE OF THE WEST 1 FOOT OF LOT 14 IN SAID G. F. BLANCHARD'S SUBDIVISION OF BLOCK 20 IN SCHOOL SECTION ADDITION TO CHICAGO TO THE NORTH LINE OF SAID LOT 14;

THENCE WEST ALONG SAID NORTH LINE OF LOT 14 AND ALONG THE SOUTH LINE OF LOTS 4 AND 5 IN SAID G. F. BLANCHARD'S SUBDIVISION OF BLOCK 20 IN SCHOOL SECTION ADDITION TO CHICAGO TO THE WEST LINE OF SAID LOT 5;

THENCE NORTH ALONG THE WEST LINE OF SAID LOT 5 TO THE SOUTH LINE OF VAN BUREN ST.;

THENCE WEST ALONG SAID SOUTH LINE OF VAN BUREN ST. TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF THE WEST 28.75 FEET OF LOT 14 IN THE SUBDIVISION OF BLOCK 21 IN SCHOOL SECTION ADDITION TO CHICAGO IN THE WEST HALF OF THE

NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE : OF THE WEST 28.75 FEET OF LOT 14 IN THE SUBDIVISION OF BLOCK 4 AND 21 IN SCHOOL SECTION ADDITION TO CHICAGO AND THE NORTHERLY EXTENSION

Order No. 9806013-R2 Chicago Guarantee Survey Co.,

123 W. Madison St., 2

August 10, 1998 Chicago, IL, 60602, (312)726-6880

THEREOF TO THE NORTH LINE OF GLADYS AVE.;

THENCE EAST ALONG SAID NORTH LINE OF GLADYS AVE. TO THE WEST LINE OF DESPLAINES ST.;

THENCE NORTH ALONG SAID WEST LINE OF DESPLAINES ST. TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTHERLY 20.08 FEET OF LOT 5 IN THE SUBDIVISION OF BLOCK 28 IN SCHOOL SECTION ADDITION TO CHICAGO IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE SOUTH LINE OF THE NORTHERLY 20.08 FEET OF LOT 5 IN THE SUBDIVISION OF BLOCK 28 IN SCHOOL SECTION ADDITION TO CHICAGO TO THE EAST LINE OF SAID LOT 5, SAID EAST LINE OF LOT 5 BEING ALSO THE WEST LINE OF THE ALLEY EAST OF DESPLAINES ST.;

THENCE NORTH ALONG SAID WEST LINE OF THE ALLEY EAST OF DESPLAINES ST. TO THE SOUTH LINE OF THE NORTH 7.55 FEET OF LOT 5 IN THE SUBDIVISION OF LOTS 8 THROUGH 16, INCLUSIVE, IN THE SUBDIVISION OF THE WEST HALF OF BLOCK 27 IN SCHOOL SECTION ADDITION TO CHICAGO IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID SOUTH LINE OF THE NORTH 7.55 FEET OF LOT 5 IN THE SUBDIVISION OF LOTS 8 THROUGH 16, INCLUSIVE, IN THE SUBDIVISION OF THE WEST HALF OF BLOCK 27 IN SCHOOL SECTION ADDITION TO CHICAGO BEING ALSO THE NORTH LINE OF THE ALLEY NORTH OF JACKSON BLVD.;

THENCE WEST ALONG SAID NORTH LINE OF THE ALLEY NORTH OF JACKSON BLVD. AND THE WESTERLY EXTENSION THEREOF TO THE WEST LINE OF DESPLAINES ST.;

THENCE NORTH ALONG SAID WEST LINE OF DESPLAINES ST. TO THE NORTH LINE OF LOT 5 IN BLOCK 23 IN SCHOOL SECTION ADDITION TO CHICAGO IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID NORTH LINE OF LOT 5 BEING ALSO THE SOUTH LINE OF MARBLE PL.;

THENCE WEST ALONG SAID SOUTH LINE OF MARBLE PL. TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 3 IN SAID BLOCK 23 IN SCHOOL SECTION ADDITION TO CHICAGO; '

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE

Order No. 9806013-R2 Chicago Guarantee Survey Co.,

123 W. Madison St., 3

August 10, 1998 Chicago, Il., 60602, (312)726-6880

OF LOT 3 IN SAID BLOCK 23 IN SCHOOL SECTION ADDITION TO CHICAGO TO THE SOUTH LINE OF MONROE ST.;

THENCE WEST ALONG SAID SOUTH LINE OF MONROE ST. TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 1.43 FEET OF LOT 7 IN BLOCK 24 IN SCHOOL SECTION ADDITION TO CHICAGO;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE WEST LINE OF THE EAST 1.43 FEET OF LOT 7 IN BLOCK 24 IN SCHOOL SECTION ADDITION TO CHICAGO AND THE NORTHERLY EXTENSION THEREOF TO THE A LINE 9 FEET NORTH OF AND PARALLEL THE NORTH LINE OF SAID LOT 7;

THENCE WEST ALONG SAID LINE 9 FEET NORTH OF AND PARALLEL THE NORTH LINE OF SAID LOT 7 TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 26.81 FEET OF LOT 2 IN SAID BLOCK 24 IN SCHOOL SECTION ADDITION TO CHICAGO;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE WEST LINE OF THE EAST 26.81 FEET OF LOT 2 IN SAID BLOCK 24 IN SCHOOL SECTION ADDITION TO CHICAGO TO THE SOUTH LINE OF MADISON ST.;

THENCE WEST ALONG SAID SOUTH LINE OF MADISON ST. TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF LOT 15 IN BLOCK 70 IN CANAL TRUSTEE'S SUBDIVISION OF LOTS AND BLOCKS IN THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE WEST LINE OF LOT 15 IN BLOCK 70 IN CANAL TRUSTEE'S SUBDIVISION AND THE NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF WARREN AVE.;

THENCE EAST ALONG SAID NORTH LINE OF WARREN AVE. TO THE EAST LINE OF DESPLAINES ST.

THENCE SOUTH ALONG SAID THE EAST LINE OF DESPLAINES ST. TO THE NORTH LINE OF MONROE ST.;

THENCE EAST ALONG SAID NORTH LINE OF MONROE ST. TO THE WEST LINE OF CLINTON ST.;

THENCE SOUTH ALONG SAID WEST LINE OF CLINTON ST. TO THE SOUTH LINE OF THE NORTH 1.92 FEET OF LOT 4 IN CHARLES WESENCRAFT'S SUBDIVISION OF

Order No. 9806013-R2

Chicago Guarantee Survey Co., 123 W. Madison St.,

August 10, 1998

Chicago, IL, 60602, (312)726-6880

4

LOTS 3, 4, 5 & 6 IN BLOCK 47 OF SCHOOL SECTION ADDITION TO CHICAGO IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID SOUTH LINE OF THE NORTH 1.92 FEET OF LOT 4 IN CHARLES WESENCRAFT'S SUBDIVISION TO THE WEST LINE OF SAID LOT 4;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 4 IN CHARLES WESENCRAFT'S SUBDIVISION AND ALONG THE WEST LINE OF LOTS 5 AND 6 IN SAID CHARLES WESENCRAFT'S SUBDIVISION TO THE SOUTH LINE OF SAID LOT 6;

THENCE EAST ALONG SAID SOUTH LINE OF SAID LOT 6 IN CHARLES WESENCRAFT'S SUBDIVISION TO THE WEST LINE OF CLINTON ST.;

THENCE SOUTH ALONG SAID WEST LINE OF CLINTON ST. TO THE NORTH LINE OF THE SOUTH 38.9 FEET OF LOT 8 IN SAID CHARLES WESENCRAFT'S SUBDIVISION;

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 38.9 FEET OF LOT 8 IN SAID CHARLES WESENCRAFT'S SUBDIVISION TO THE WEST LINE OF SAID LOT 8;

THENCE SOUTH ALONG SAID WEST LINE OF SAID LOT 8 IN CHARLES WESENCRAFT'S SUBDIVISION TO THE NORTH LINE OF ADAMS ST.;

THENCE WEST ALONG SAID NORTH LINE OF ADAMS ST. TO THE EAST LINE OF LOT 7 IN W. B. EGAN'S SUBDIVISION OF LOTS 7 AND 8 IN BLOCK 47 OF SCHOOL SECTION ADDITION TO CHICAGO IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID EAST LINE OF LOT 7 IN W. B. EGAN'S SUBDIVISION TO THE NORTH LINE THEREOF;

THENCE WEST ALONG SAID NORTH LINE OF LOT 7 AND ALONG THE NORTH LINE OF LOTS 8 AND 9 IN SAID W. B. EGAN'S SUBDIVISION AND ALONG THE WESTERLY EXTENSION OF THE NORTH LINE OF LOTS 7, 8 AND 9 IN SAID W. B. EGAN'S SUBDIVISION TO THE WEST LINE OF JEFFERSON ST.;

THENCE NORTH ALONG SAID WEST LINE OF JEFFERSON ST. TO THE NORTH LINE OF LOT 5 IN BLOCK 26 IN SCHOOL SECTION ADDITION TO CHICAGO IN EAST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

Order No. 9806013-R2 Chicago Guarantee Survey Co.,

123 W. Madison St., 5

August 10, 1998 Chicago, Ill., 60602, (312)726-6880

THENCE WEST ALONG SAID THE NORTH LINE OF LOT 5 IN BLOCK 26 IN SCHOOL SECTION ADDITION TO CHICAGO TO THE WEST LINE OF SAID LOT 5;

THENCE SOUTH ALONG SAID WEST LINE OF SAID LOT 5 TO THE NORTH LINE OF ADAMS ST.;

THENCE EAST ALONG SAID NORTH LINE OF ADAMS ST. TO THE EAST LINE OF JEFFERSON ST.;

THENCE SOUTH ALONG SAID EAST LINE OF JEFFERSON ST. TO THE NORTH LINE OF QUINCY ST.;

THENCE EAST ALONG SAID NORTH LINE OF QUINCY ST. TO THE WEST LINE OF CLINTON ST.,

THENCE NORTH ALONG SAID WEST LINE OF CLINTON ST. TO THE NORTH LINE OF ADAMS ST.;

THENCE EAST ALONG SAID NORTH LINE OF ADAMS ST. TO THE EAST LINE OF CANAL ST.;

THENCE SOUTH ALONG SAID EAST LINE OF CANAL ST. TO A POINT 116.45 FEET NORTH OF THE NORTH LINE OF JACKSON BLVD. AS MEASURED ALONG THE WEST LINE OF LOT 6 EN THE SUBDIVISION OF BLOCK 46 OF THE SCHOOL SECTION ADDITION TO CHICAGO IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG A STRAIGHT LINE TO A POINT ON THE EAST LINE OF SAID LOT 6 WHICH IS 121.21 FEET NORTHERLY FROM THE NORTH LINE OF JACKSON BLVD. AS MEASURED ALONG SAID EAST LINE OF LOT 6;

THENCE EAST ALONG A STRAIGHT LINE TO A POINT ON THE EAST LINE OF LOT 5 IN SAID SUBDIVISION OF BLOCK 46 OF THE SCHOOL SECTION ADDITION TO CHICAGO WHICH IS 121.88 FEET NORTHERLY FROM THE NORTH LINE OF JACKSON BLVD. AS MEASURED ALONG SAID EAST LINE OF LOT 5, SAID POINT ON THE EAST LINE OF LOT 5 BEING ALSO ON THE WESTERLY CHANNEL LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER;

THENCE SOUTHERLY ALONG SAID WESTERLY CHANNEL LINE OF THE SOUTH

Order No. 9806013-R2

August 10, 1998

Chicago Guarantee Survey Co., 123 W. Madison St.,

Chicago, IL, 60602, (312) 726-6880

6

BRANCH OF THE CHICAGO RIVER TO THE SOUTH LINE OF JACKSON ST.;

**THENCE WEST ALONG SAID SOUTH LINE OF JACKSON ST. TO THE EAST LINE OF
CANAL ST.;**

**THENCE SOUTH ALONG SAID EAST LINE OF CANAL ST. TO THE NORTH LINE OF VAN
BUREN ST.;**

**THENCE EAST ALONG SAID NORTH LINE OF VAN BUREN ST. TO THE WESTERLY
CHANNEL LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER;**

**THENCE SOUTHERLY ALONG SAID WESTERLY CHANNEL LINE OF THE SOUTH
BRANCH OF THE CHICAGO RIVER TO THE SOUTH LINE OF HARRISON ST.;**

**THENCE WEST ALONG SAID SOUTH LINE OF HARRISON ST. TO THE POINT OF
BEGINNING.**

ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

Order No. 9806013-R2 Chicago Guarantee Survey Co.,

123 W. Madison St., 7

August 10, 1998 Chicago, IL, 60602, (312)726-6880

DRAFT

EXHIBIT B

DEVELOPER SPACE; PROPERTY

That approximately 221,089 rentable square foot portion of the Property, described below, that the Developer is leasing as the Developer Space:

PINs:

17-16-126-001-0000

17-16-126-013-0000

Street Address:

400 S. Jefferson, Chicago, IL

LOT 1 AND THE NORTH 14 0.5 FEET OF LOT 2 (EXCEPT THAT PART THEREOF) DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTH 14 0.5 FEET OF LOT 2; THENCE EAST ALONG THE SOUTH LINE OF SAID NORTH 14 0.5 FEET OF LOT 2; A DISTANCE OF 126 FEET TO A POINT; THENCE NORTH ALONG A LINE WHICH IS PARALLEL TO THE EAST LINE OF LOT 2, A DISTANCE OF 15 FEET TO A POINT; THENCE NORTHWESTERLY ALONG A LINE TO A POINT IN THE WEST LINE OF SAID LOT 2, SAID POINT BEING 37 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTH 14 0.5 FEET OF LOT 2; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 2 A DISTANCE OF 37 FEET TO THE POINT OF BEGINNING IN THE SUBDIVISION OF BLOCK 29 IN SCHOOL SECOND ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. ALSO THE EAST AND WEST 20 FEET OF VACATED ALLEY BETWEEN SAID LOTS 1 AND 2 AFORESAID, IN COOK COUNTY, ILLINOIS.

[

DRAFT

EXHIBIT C

TIF-ELIGIBLE IMPROVEMENTS

Line Item Cost Tenant improvements/build-out of office space \$30,142,963 TOTAL \$30,142,963

Notwithstanding the total of TIF-Eligible Improvements shown here or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the maximum amount of City Funds calculated pursuant to Section 4.03 herein (not to exceed \$6,500,000).

EXHIBIT D

Redevelopment Plan for Canal/Congress [Not attached for ordinance]

EXHIBIT E

Construction Contract

[Not attached for ordinance]

EXHIBIT G

[INTENTIONALLY OMITTED]

EXHIBIT H-1

PROJECT BUDGET

Hard Costs	Amount
Tenant Construction	\$20,322,963
<u>Hard Cost Contingency</u>	<u>\$960,000</u>
Total Hard Costs	\$21282,963
Soft Costs/Fees	
Architect/Engineering	\$840,000
Consultant Fees	\$ 160,000
Legal and Accounting	\$120,000
Insurance	\$12,000
Permits	\$208,000
Project Management	\$200,000
Miscellaneous Soft Costs	\$40,000
<u>Soft Cost Contingency</u>	<u>\$80,000</u>
Total Soft Costs	\$1,660,000
Furniture and Fixtures	\$5,600,000
<u>Equipment</u>	<u>\$1,600,000</u>
Total FFE	\$7200,000
Total	\$30,142,963

EXHIBIT H-2

MBE/WBE Project Budget

Hard Costs of Tenant Improvements	\$ 18,402,963
<u>Soft Costs/Fees</u>	<u>\$ 1,040,000</u>
MBFVWBE Project Budget	\$19,442,963
MBE Total at 24%	\$ 4,666,311
WBE Total at 4%	\$ 777,719

EXHIBIT I

APPROVED PRIOR EXPENDITURES Not attached for ordinance]

DRAFT

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL [To be retyped on the

Developer's Counsel's letterhead]

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Hillshire Brands Company, an _____ entity (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Canal/Congress Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

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

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

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

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

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of the Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and

DRAFT

certificates of good standing in all states in which the Developer is qualified to do business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if the Developer is not a corporation]; and

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

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

Based on the foregoing, it is our opinion that:

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

2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Developer's [Articles of Incorporation or By-Laws] [describe any formation documents if the Developer is not a corporation] or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any

of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

3. The execution and delivery of each Document and the performance of the

DRAFT

transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer.

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

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

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its property, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

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

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

9. The execution, delivery and performance of the Documents by the Developer have not

and will not require the consent of any person or the giving of notice to, any

DRAFT

exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

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

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

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois. [Note: include a reference to the laws of the state of incorporation/organization of the Developer, if other than Illinois.]

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

Very truly yours,

By:

Name:

EXHIBIT K

Prior TIF Obligations in Canal/Congress TIF Area

[to be determined, but will include, at minimum, these RDAs:

Monroe Clinton LLC (Quaker) US Fitness 550 W. Jackson USG

and any other obligations from this TIF that have been presented to CDC prior to the introduction of the ordinance authorizing this RDAJ

DRAFT

EXHIBIT L

JOBS CERTIFICATE

STATE OF ILLINOIS)
COUNTY OF COOK) SS

The affiant, Hillshire Brands Company, a _____ corporation (the "Developer"), hereby certifies that with respect to that certain Hillshire Brands Company Redevelopment Agreement between the Developer and the City of Chicago dated _____, _____ (the "Agreement") that, as of December 31, _____ [fill in the year just ended]:

- On that date, FTEs were employed at the Developer Space;
- The Minimum Jobs Covenants was met and maintained during the entire year;
- There has been no default under the Jobs Maintenance Compliance Period covenant;
- Developer maintains its sole Headquarters at the Developer Space and is not in default under the Headquarters Maintenance Compliance Period covenant;
- [if applicable: the First Additional Jobs Covenant was met, and there has been no default under the First Additional Jobs Maintenance Compliance Period covenant;]
- [if applicable: the Second Additional Jobs Covenant was met, and there has been no default under the Second Additional Jobs Maintenance Compliance Period covenant;]

DRAFT

- The 10 individuals listed in the chart below are the 10 highest-paid Full Time Equivalent employees whose primary offices were located at the Developer Space during the year just ended:

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

By: _____
Name Title: _____

My commission expires:

EXHIBIT M
REQUISITION FORM

Printed on 4/27/2024
powered by Legistar™

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

A. Total expenditures for the Project, in the total amount of \$ _____, have been made to date.

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

\$ _____

C. The Developer hereby requests reimbursement for the following cost of TIF-

C. Eligible Improvements (the _____th Payment):

\$ _____ [must match appropriate amount from Sec. 4.03(c) table]

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

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

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

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

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

HILLSHIRE BRANDS COMPANY, a Maryland corporation

By:

Name Title:

Subscribed and sworn before me this day of

My commission expires:

Agreed and accepted:

Name
Title:
City of Chicago
Department of Housing and Economic Development

EXHIBIT N Form of Payment and Performance Bonds

[Not attached for ordinance]

**CITY OF CHICAGO ECONOMIC
DISCLOSURE STATEMENT AND AFFIDAVIT**

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable: Hillshire

Brands Company

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. ☒ the Applicant

OR

2. ☐ a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the

2. Applicant in which the Disclosing Party holds an interest:

OR

3. ☐ a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:

B. Business address of the Disclosing Party: 3500 Lacey Road
Downers Grove, Illinois 60615-5424

C. Telephone: 630-598-8686 Fax: 630-598-8687 Email: brian.hunter@saralee.com
<mailto:brian.hunter@saralee.com>

D. Name of contact person: Brian Hunter

E. Federal Employer Identification No. (if you have one):

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Tax increment finance benefits

G. Which City agency or department is requesting this EDS? Housing and Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # and Contract #

Page 1 of 13

SECTION II - DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

- | | |
|--|--|
| <input type="checkbox"/> Person | <input type="checkbox"/> Limited liability company |
| <input checked="" type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership |
| <input type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture |
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Not-for-profit corporation |
| <input type="checkbox"/> General partnership | (Is the not-for-profit corporation also a 501(c)(3))? |
| <input type="checkbox"/> Limited partnership | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust | <input type="checkbox"/> Other (please specify) |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable: Maryland

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

KYes ☐No ☐N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title See the attached

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

Page 2 of 13

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
None.		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

☐ Yes ☒ No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Page 3 of 13

Name (indicate whether Business retained or anticipated Address to be retained)

Gregory Hummel, 161 N. Clark St.

Relationship to Disclosing Party Fees (indicate whether

(subcontractor, attorney, lobbyist, etc.) paid or estimated.) NOTE:

"hourly rate" or "t.b.d." is

not an acceptable response. Ste 4300, Chicago, IL Attorney \$200,000 (est)

(Add sheets if necessary)

[] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V - CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

☐ Yes ☐ No ☒ No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

☐ Yes ☐ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

Page 4 of 13

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b; of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or

found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
 - any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Page 5 of 13

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

Page 6 of 13

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none"). None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient. None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

1. ☐ is ☐ is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

Page 7 of 13

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

☐ Yes ☐ No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

☐Yes ☐No

3. If you checked "Yes" to Item D.L, provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
------	------------------	--------------------

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

Page 8 of 13

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

XX 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt

obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

Page 9 of 13

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

☐ Yes ☐ No If "Yes," answer the three questions

below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

☐ Yes ☐ No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

☐ Yes ☐ No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

☐ Yes ☐ No

If you checked "No" to question 1. or 2. above, please provide an explanation:

Page 10 of 13

SECTION VII - ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics <<http://www.cityofchicago.org/Ethics>>, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable,

and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

Page 11 of 13

F. 1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

(Print or type name of Disclosing Party) By:

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and

statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

: of Disclosing

(Sign here) Brian Hunter

(Print or type name of person signing)

Vice-President . (Print or type title of person signing)

Hillshire Brands Company

Signed and sworn to before me on (date) *3 (j(\f(Vp Jp \J 9^ at Djfof^P County, TfrlljW>C^ (state)^1 '
OFFTOAISEAL USAAOiiUTT MOTMY PUBLIC • STATE Of IUN016 Iff CQMMSSStON EXWSaiHWW
cAiJfy Or {^t/yiMA^J- Notary Public.

Commission expires: Joi." OX~

Page 12 of 13

**CITY OF CHICAGO ECONOMIC DISCLOSURE
STATEMENT AND AFFIDAVIT
APPENDED A**

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section H.B.l.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general

partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

☐ Yes

☒ No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Page 13 of 13

Hillshire Brands EDS-Section II(B)(1)-A11 Executive Officers and Directors of Entity

Name

Board of Directors:

Christopher B. Begley Todd Becker Ellen L. Brothers Virgis W. Colbert Laurette T. Koellner Sir Ian Prosser Jonathan P.

Ward Sean Connolly Management Team: Sean M. Connolly Maria Henry

Andrew P. Callahan Donald C. Davis

Thomas P. Hayes

Kent B. MagiJi

Jeff George Jonathan Harris

Title

Chairman, Director

Director

Director

Director

Director

Director

Director

Director, Chief Executive Officer.

Chief Executive Officer

Executive Vice President, Chief Financial Officer

Executive Vice President and President, Retail

Senior Vice President and President, Foodservice

Executive Vice President and Chief Supply Chain Officer

Executive Vice President, General Counsel and Corporate Secretary

Senior Vice President, Research & Development

Senior Vice President, Chief Communications Officer

192393.1