

Exhibit A
Redevelopment Agreement

(see attached)

This agreement was prepared by and
after recording return to:
Amal Mir Esq.
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

**HUDSON HOUSE REDEVELOPMENT AGREEMENT
(Large Community Development Grant Program)
Version 2026.07**

This Hudson House Redevelopment Agreement (this "Agreement") is made as of the Closing Date by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Developer. Capitalized terms not otherwise defined herein shall have the meaning given in the table headed "Project Information," the Recitals, or in Section 2, as applicable.

TABLE OF CONTENTS

Project Information	Section 10 Indemnification
Signature Page	Section 11 Default and Remedies
Section 1 Recitals	Section 12 Mortgaging of the Project
Section 2 Definitions	Section 13 General Provisions
Section 3 The Project	Exhibit A Legal Description of the Property
Section 4 Project Financing	Exhibit B Project Budgets (Project, M/WBE, City-Funded Improvements)
Section 5 Conditions Precedent	Exhibit C Insurance Requirements
Section 6 Completion of Construction or Rehabilitation	Exhibit D Requisition Form
Section 7 Covenants/Representations/Warranties of Developer	Exhibit E Annual Compliance Report
Section 8 Maintaining Records and Right to Inspect	Exhibit F Construction Compliance
Section 9 Environmental Matters	Exhibit G Escrow Agreement, if applicable
	Exhibit H Approved Prior Expenditures, if applicable

PROJECT INFORMATION

Term (Agreement Section where first used)	Definition														
City Grant (Project Information)	\$10,000,000														
City Loan (Project Information)	\$5,000,000														
Bond Funds (Recitals)	Check applicable box: ☐ CIP Bonds and/or Corporate Funds ☐ CW Bonds and/or Corporate Funds ☐ GO CRP Bonds and/or Corporate Funds ☒ HED Bonds and/or Corporate Funds ☐ STSC Bonds and/or Corporate Funds														
Certificate Deadline (6.05)	[THE DATE 2 YEARS AFTER THE CLOSING DATE]														
City Funds (Project Information)	\$15,000,000 (consisting of a \$10,000,000 City Grant and a \$5,000,000 City Loan)														
Closing Date (preamble)															
Commencement Date (3.01)															
Developer (preamble)	Hudson Michigan Avenue Owner LLC, a Delaware limited liability company														
Estimated Project Cost (3.02)	\$72,828,184														
Funding Sources (3.02)	<table border="1"> <thead> <tr> <th>Funding Source</th><th>Amount</th></tr> </thead> <tbody> <tr> <td>Equity</td><td>\$4,600,486</td></tr> <tr> <td>Hotel Key Money</td><td>\$2,000,000</td></tr> <tr> <td>Historic Tax Credits</td><td>\$10,227,698</td></tr> <tr> <td>Lender Financing</td><td>\$41,000,000</td></tr> <tr> <td>City Funds (City Grant + City Loan)</td><td>\$15,000,000</td></tr> <tr> <td>TOTAL</td><td>\$72,828,184</td></tr> </tbody> </table>	Funding Source	Amount	Equity	\$4,600,486	Hotel Key Money	\$2,000,000	Historic Tax Credits	\$10,227,698	Lender Financing	\$41,000,000	City Funds (City Grant + City Loan)	\$15,000,000	TOTAL	\$72,828,184
Funding Source	Amount														
Equity	\$4,600,486														
Hotel Key Money	\$2,000,000														
Historic Tax Credits	\$10,227,698														
Lender Financing	\$41,000,000														
City Funds (City Grant + City Loan)	\$15,000,000														
TOTAL	\$72,828,184														
Notice Addresses (13.14)	<u>If to the Developer:</u> Hudson Michigan Avenue Owner LLC 19100 Von Karman Ave., Ste. 480 Irvine, CA 92612 <u>Attention:</u> Tibor Keleman														

	with a copy to DLA Piper LLP 444 West Lake Street, Suite 900 Chicago, IL, 60606-0089 <u>Attention:</u> Katie C. Jahnke Dale [Lender:] _____ _____ _____ Attention: _____ [HTC Investor] _____ _____ _____ Attention: _____ <u>If to the City:</u> City of Chicago, Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 <u>Attention:</u> Commissioner with a copy to City of Chicago, Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 <u>Attention:</u> Finance and Economic Development Division
Permanent Jobs (7.06)	Developer aspires to create 50 FTE permanent positions and 195 temporary construction-related FTE positions.
Permitted Liens (7.01)	Those matters set forth as Schedule B title exceptions in the Title Policy, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect
Project (Project Information)	Renovation of the approximately 100-year-old Hudson Motor Company building in the Motor Row Historic District into a boutique hotel with 154 keys and approximately 43,000 square feet of commercial retail use, anticipated to include ground-floor restaurants, event space, a rooftop pool and bar, and hotel amenities including a fitness space and work club.

Trade Names (5.05)	N/A
--------------------	-----

Developer Signature Page to Redevelopment Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the Closing Date.

Hudson Michigan Avenue Owner LLC,
A Delaware limited liability company

By: _____

Name:

Title:

NOTARY CERTIFICATION

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 _____ (the "Representative"), personally known to me to be the
[manager] of Hudson Michigan Avenue Owner LLC, a Delaware limited liability company ("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 the Representative signed,
sealed, and delivered said instrument, pursuant to the authority given to the Representative by
Developer, as the Representative's 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 _____, 20__.

Notary Public

My Commission Expires _____

(SEAL)

City Signature Page to Redevelopment Agreement

CITY OF CHICAGO,

acting by and through its Department of Planning and Development

By: _____

Ciere Boatright

Commissioner of Planning and Development

NOTARY CERTIFICATION

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 Ciere Boatright, personally known to me to be the Commissioner of Planning and Development (the "Commissioner") 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 the Commissioner signed, sealed, and delivered said instrument, pursuant to the authority given to the Commissioner by the City, as the Commissioner's free and voluntary act and as the free and voluntary act of City, for the uses and purposes therein set forth.

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

Notary Public

My Commission Expires _____

(SEAL)

SECTION 1. 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. City Council Authority. The City Council of the City (the "City Council") has adopted one or more ordinances authorizing the use of Bond Funds to fund a portion of the costs of the Project and authorizing the Commissioner of Planning and Development (the "Commissioner") to enter into this Agreement to fund a portion of the costs of the Project.

C. City Funds. The City agrees to use Bond Funds, in the amounts set forth in the table headed "Project Information", to pay for or reimburse the Developer for the costs of Improvements (as defined below) pursuant to the terms and conditions of this Agreement.

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

SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the table headed "Project Information" or the foregoing recitals, the following terms shall have the meanings set forth below:

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

"Annual Compliance Report" means a signed report from Developer to the City in substantially the form attached as Exhibit E to this Agreement.

"Bonds" means (a) CIP Bonds if the definition of "Bond Funds" refers to CIP Bonds and/or Corporate Funds, (b) CW Bonds if the definition of "Bond Funds" refers to CW Bonds and/or Corporate Funds, (c) GO CRP Bonds if the definition of "Bond Funds" refers to GO CRP Bonds and/or Corporate Funds, (d) HED Bonds if the definition of "Bond Funds" refers to HED Bonds and/or Corporate Funds and (e) STSC Bonds if the definition of "Bond Funds" refers to STSC Bonds and/or Corporate Funds.

"Certificate" has the meaning set forth in Section 6.01 hereof.

"Change Order" means any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.06.

"CIP Bonds and/or Corporate Funds" means Corporate Funds and/or the proceeds of CIP Bonds, where: (i) "CIP Bonds" means bonds authorized by the CIP Bond Ordinance for Capital Improvement Plan projects, (ii) "Corporate Funds" means corporate funds appropriated by the CIP Bond Ordinance, which are expected to be reimbursed with proceeds of the CIP Bonds, and (iii) "CIP Bond Ordinance" means an ordinance passed by the City Council on November 7, 2022 and published in the Journal for such date at pages 55618 through 55807, inclusive, as amended.

"City Council" has the meaning set forth in the Recitals hereof.

"City Funds" means the aggregate amount of the City Grant and the City Loan, in the total principal amount of up to \$15,000,000

"City Grant" means the grant portion of the City Funds in an amount not to exceed \$10,000,000 to be funded from Bond Funds and subject to the terms and conditions of this Agreement.

"City Loan" means the loan portion of the City Funds in an amount not to exceed \$5,000,000, to be funded from Bond Funds and subject to the terms and conditions of this Agreement.

"Closing Date" means the date of execution and delivery of this Agreement by all parties hereto, which is deemed to be the date appearing on page 2 of this Agreement.

"Compliance Period" means that period beginning on the date of the issuance of the Certificate until the tenth anniversary of such date, subject to extension under Section 11.03(b).

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

"CW Bonds and/or Corporate Funds" means Corporate Funds and/or the proceeds of CW Bonds, where: (i) "CW Bonds" means bonds authorized by the CW Bond Ordinance for Chicago Works projects, (ii) "Corporate Funds" means corporate funds appropriated by the CW Bond Ordinance, which are expected to be reimbursed with proceeds of the CW Bonds, and (iii) "CW Bond Ordinance" means an ordinance passed by the City Council on November 24, 2020 and published in the Journal for such date at pages 24643 through 24723, inclusive, as amended.

"EDS" means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form.

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

(viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

"Equity" means funds of Developer (other than funds derived from Lender Financing) available for the Project, in the amount set forth in the Funding Sources.

"Escrow" means, if applicable, the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" means, if applicable, the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City, the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s), substantially in the form of Exhibit G attached hereto.

"Event of Default" has the meaning set forth in Section 11 hereof.

"Final Project Cost" means the total actual cost of the construction of the Project, as certified to and acceptable to DPD under Section 6.01 hereof.

"General Contractor" means the general contractor(s) hired by the Developer to complete the construction of the Project.

"GO CRP Bonds and/or Corporate Funds" means Corporate Funds and/or the proceeds of GO CRP Bonds, where: (i) "GO CRP Bonds" means bonds authorized by the GO CRP Bond Ordinance for Chicago Recovery Plan projects, (ii) "Corporate Funds" means corporate funds appropriated by the GO CRP Bond Ordinance, which are expected to be reimbursed with proceeds of the GO CRP Bonds, and (iii) "GO CRP Bond Ordinance" means an ordinance passed by the City Council on October 27, 2021 and published in the Journal for such date at pages 40213 through 40503, inclusive, as amended.

"HED Bonds and/or Corporate Funds" means Corporate Funds and/or the proceeds of GO HED Bonds or STSC HED Bonds, where: (i) "GO HED Bonds" means bonds authorized by the HED Bond Ordinance for housing and economic development projects, (ii) "STSC HED Bonds" means bonds authorized by the HED Bond Ordinance for housing and economic development projects, (iii) "Corporate Funds" means corporate funds appropriated by the HED Bond Ordinance, which are expected to be reimbursed with proceeds of the GO HED Bonds or STSC HED Bonds, and (iv) "HED Bond Ordinance" means an ordinance passed by the City Council on April 19, 2024 and published in the Journal for such date at pages 11493 through 11568, inclusive, as amended.

"HTC" means the federal historic tax credits pursuant to Section 47 of the Internal Revenue Code of 1986, as amended, and all applicable regulations or rulings thereunder.

"HTC Investor" means the to-be-admitted limited partner of the [Master Tenant] which shall provide the HTC equity to the [Master Tenant] in exchange in part for the receipt of the portion of the HTCs related to the Project and Property, and on the Closing Date is anticipated to be _____, an [Illinois][insert type of entity], and its respective successors and assigns.

"IEPA" means the Illinois Environmental Protection Agency.

"Improvements" means those improvements of the Project which (i) are eligible to be reimbursed using a grant from the proceeds of tax-exempt Bonds and (ii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit B lists the Improvements for the Project under the column headed "Eligibles."

"Journal" means the Journal of the Proceedings of City Council.

"Lender Financing" means funds borrowed by Developer from lenders and available to pay for Costs of the Project in accordance with the terms and conditions of any applicable agreements between the Developer and such lenders, in the amounts set forth in the Funding Sources.

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

"MBE/WBE Budget" means the budget attached hereto as Exhibit B.

"MBE/WBE Program" has the meaning set forth in Exhibit F hereof.

"Mortgage" means that certain Junior Mortgage, Security Agreement, Assignment of Rents and Leases and Financing Statement (Bonds) dated as of the Closing Date, executed from the Developer to the City, as from time to time supplemented, amended and restated.

"Municipal Code" has the meaning set forth in the Recitals.

"Note" means the Note (HED Bonds) evidencing the City Loan (and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof), dated the Closing Date, executed by the Developer and payable to the City in the principal amount of the City Loan.

"NFR Letter" means a "no further remediation" letter issued by IEPA pursuant to the Site Remediation Program.

"Occupancy Covenant" has the meaning set forth in Section 7.05 hereof.

"Operations Covenant" has the meaning set forth in Section 7.04 hereof.

"Project Budget" means the budget attached hereto as Exhibit B, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with Section 4.01 hereof.

"Property" means the real property described on Exhibit A.

"Qualified Investment Area" has the meaning given such term in Chapter 16-14 of the Municipal Code.

"Requisition Form" means the document, in the form attached hereto as Exhibit D, to be delivered by Developer to DPD pursuant to Section 4.06 of this Agreement.

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

"Site Remediation Program" means the program for the environmental remediation of the Property undertaken by the Developer and overseen by the IEPA, upon completion of which (to the satisfaction of the IEPA) the IEPA shall issue an NFR Letter with respect to the Property to the Developer.

"STSC Bonds and/or Corporate Funds" means Corporate Funds and/or the proceeds of STSC Bonds, where: (i) "STSC Bonds" means bonds authorized by the STSC Bond Ordinance, (ii) "Corporate Funds" means corporate funds appropriated by the STSC Bond Ordinance, which are expected to be reimbursed with proceeds of the STSC Bonds, and (iii) "STSC Bond Ordinance" means an ordinance passed by the City Council on October 11, 2017 and published in the Journal for such date at pages 55903 through 55915, inclusive, as amended, which authorized the Sales Tax Securitization Corporation to issue certain bonds.

"Survey" means a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Project and related improvements as required by the City or lender(s) providing Lender Financing).

"Sustainable Development Policy" means the Chicago Sustainable Development Policy for the Project in effect as of the Closing Date.

"Tax-Exemption Default" has the meaning set forth in Section 11.01(i) hereof.

"Term of the Agreement" means the period of time commencing on the Closing Date and ending at the tenth anniversary of the date the Certificate is issued, subject to extension under Section 11.03(b).

"Title Company" means First American Title Insurance Company National Commercial Services.

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

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

SECTION 3. THE PROJECT

3.01 Project Completion. With respect to the rehabilitation and construction of the Project, Developer shall: (i) commence construction no later than the Commencement Date, and (ii) complete construction and conduct operations therein no later than the Certificate Deadline.

3.02 Estimated Project Cost; Project Budget; Funding Sources. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than the Estimated Project Cost. Project costs shall be applied in the manner set forth in the Project Budget. The Developer hereby certifies to the City that (a) the Funding Sources shall be sufficient to complete the Project, and (b) the Project Budget and Funding Sources are true, correct and complete in all material respects.

3.03 Scope Drawings, Plans and Specifications. Developer has delivered the Scope Drawings, Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings, Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.06 hereof. The Scope Drawings, Plans and Specifications shall at all times conform to all applicable federal, state and local laws, ordinances and regulations. Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

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

3.05 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.02 hereof. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.06 Change Orders. Except as provided below in this Section 3.06, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD as necessary; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval:

(a) a reduction in the gross or net square footage of the Property by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of the Property to a use other than the Project; (c) a delay in the completion of the Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement).

3.07 Survey Updates. Prior to the issuance of the Certificate, the Developer shall provide an updated Survey if the Project added new improvements to the Property.

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

SECTION 4. PROJECT FINANCING

4.01 Estimated Project Cost. The Estimated Project Cost represents the estimated cost of the Project and shall be applied in the manner set forth in the Project Budget.

4.02 City Funds. Subject to the terms and conditions of this Agreement, the City hereby agrees to provide up to the amount of the City Funds to reimburse the cost of Improvements and allocated by the City for that purpose; provided, however, that the total amount of City Funds expended will be reduced on a dollar-for-dollar basis if the Final Project Cost is less than the Estimated Project Cost.

4.03 Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of Improvements. Exhibit B sets forth, by line item, the Project Budget for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to the conditions described in this Agreement), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as an Improvement. Developer may request in writing to revise Exhibit B to reallocate costs eligible for payment or reimbursement from City Funds, subject to the approval of the City.

4.04 Distribution of City Funds.

Direct Payment Multiple Installments: Subject to the conditions described in Section 4.02 and Section 4.03, the City shall disburse the City Funds in installments as described below:

Installment	Amount	Conditions for Reimbursement
First, at 20% Project	20% of City Funds, up to the amount of \$3,000,000,	Evidence that (a) the Project is 20% complete, as measured in costs incurred under the Project Budget, and (b)

Completion	which shall constitute City Grant funds.	Developer has incurred Improvement costs in an equal amount to, or greater than, the amount of such installment.
Second, at 40% Project Completion	20% of City Funds, up to the amount of \$3,000,000, which shall constitute City Grant funds.	Evidence that (a) all the conditions for reimbursement of the First installment have been satisfied, (b) the Project is 40% complete, as measured by costs incurred under the Project Budget, and (c) Developer has incurred Improvement costs in an equal amount to, or greater than, the amount of such installment (excluding Improvement costs reimbursed in any prior installment).
Third, at 60% Project Completion	20% of City Funds, up to the amount of \$3,000,000, which shall constitute City Grant funds.	Evidence that (a) all the conditions for reimbursement of the First and Second installments have been satisfied, (b) the Project is 60% complete, as measured by costs incurred under the Project Budget, and (c) Developer has incurred Improvement costs in an equal amount to, or greater than, the amount of such installment (excluding Improvement costs reimbursed in any prior installment).
Fourth, at 90% Project Completion	30% of City Funds, up to the amount of \$4,500,000, consisting of the remaining \$1,000,000 of the City Grant and \$3,500,000 of the City Loan.	Evidence that (a) all the conditions for reimbursement of the First, Second and Third Installments have been satisfied, (b) the Project is 90% complete, as measured by costs incurred under the Project Budget, and (c) Developer has incurred Improvement costs in an equal amount to, or greater than, the amount of such installment (excluding Improvement costs reimbursed in any prior installments).
Final, at issuance of the Certificate	10% of City Funds, up to the amount of, and no more than \$1,500,000, which shall constitute City Loan funds.	Evidence that (a) all the conditions for reimbursement of the First, Second, Third and Fourth Installment have been satisfied, (b) the Certificate has been issued, and (c) Developer has incurred Improvement costs in an equal amount to, or greater than, the amount of such installment (excluding Improvement costs reimbursed in any prior installments).

4.05 Intentionally omitted.

4.06 Requisition Form. When Developer submits documentation to the City in connection with a request for the payment of the City Funds as described in Section 4.04, beginning on the first request for payment and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement, Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.07 Preconditions of Disbursement. Prior to disbursement of the City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion.

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

4.09 Cost Overruns. If the aggregate cost of Improvements exceeds the City Funds available pursuant to Section 4.02 hereof, or if the cost of completing the Project exceeds the Estimated Project Cost, 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 Project.

4.10 Conditional Grant. The City Grant being provided hereunder is being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 11.02 and Section 4.11. The City Loan is not a grant and shall be repaid in accordance with Section 4.12.

4.11 Return of City Funds Upon Refinance, Sale, or Transfer. For the purposes of this section, the term "Capital Event" shall mean a sale or transfer of the Project, or any part thereof, excluding a refinancing of the construction loan (if any) to a permanent loan as part of the normal course of business or a refinancing where cash-out proceeds are used only to pay off or pay down preferred equity. Upon the occurrence of a Capital Event during the Term of the Agreement, the Developer agrees to pay and remit to the City an amount equal to one hundred percent (100%) of the City Funds (including accrued PIK interest on the City Loan) paid to date. Notwithstanding the foregoing, a refinance of the Project shall not constitute a Capital Event so long as any cash-out proceeds from such refinance are used only to pay off or pay down preferred equity positions. Developer may prepay the City Loan, including accrued PIK interest, at any time without penalty and without triggering repayment of the City Grant.

4.12 City Loan Terms. Of the City Funds, five million dollars (\$5,000,000) will be provided to Developer as a loan. The City Loan shall be evidenced by the Note and shall be secured by a mortgage on the Property executed by Developer in favor of the City. The Note, the Mortgage, and any other documents executed in connection with the City Loan are herein referred to as the "City Loan Documents."

Interest on the City Loan shall commence upon issuance of the Certificate and shall accrue at a rate of six percent (6%) per annum, consisting of two percent (2%) cash interest and four percent (4%) payment-in-kind interest ("PIK interest"), in each case as set forth in the Note. Subject to the terms of the City Loan Documents, the outstanding principal balance of the City Loan, together with all the accrued and unpaid PIK interest and any other amounts then due and owing under the Note, shall be due and payable on the tenth anniversary of the issuance of the Certificate (the "Maturity Date"). Developer may prepay the City Loan, including accrued PIK interest, at any time without premium or penalty, and such prepayment shall not require repayment of the City Grant.

The failure of Developer to pay any principal, interest, or amount due under the Note, subject to any applicable cure period or notice provided in the City Loan Documents, shall constitute an Event of Default under this Agreement. Upon the occurrence and during the continuance of any such Event of Default, the City will be entitled to exercise the rights and remedies available to it under the Agreement and City Loan Documents.

SECTION 5. CONDITIONS PRECEDENT

The Developer must satisfy the following conditions before the City will execute and deliver this Agreement, unless such conditions are waived in writing by the City:

5.01 Project Budget. DPD must have approved the Project Budget.

5.02 Governmental Approvals. The Developer must have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD. Such approvals shall include, without limitation, all building permits necessary for the Project; provided, however, that if the City agrees to close before construction commences, such building permits shall be secured prior to commencement of any such construction work.

5.03 Financing. The Developer must have furnished proof reasonably acceptable to the City that it has Equity and Lender Financing to complete the Project.

5.04 Acquisition and Title. The Developer must have furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured in at least the amount of the City Funds, along with copies of all Schedule B title exception documents. The Title Policy must be dated as of the Closing Date and contain only those title exceptions acceptable to the City in its sole discretion and evidence the recording of this Agreement. The Title Policy must contain such endorsements as may be required by Corporation Counsel, including but not limited to an owner's ALTA 9 endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access survey, encroachment and damages for mineral production. If the Project involves any acquisition of real property, the Developer must have provided DPD with documentation related to such acquisition acceptable to the City in its sole discretion.

5.05 Evidence of Clean Title. The Developer, at its own expense, must have provided the City with searches under its name and any Trade Names as follows:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC/Fixture search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments

5.06 Environmental. Developer has provided DPD with copies of that certain Phase I Environmental Site Assessment ("Phase I ESA") completed with respect to the Property and any Phase II Environmental Site Assessment ("Phase II ESA") with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audit(s). If applicable based on results of the Phase II ESA, the Developer shall provide the City with a final comprehensive NFR Letter with respect to the Property, signed by the IEPA upon issuance thereof.

5.07 Corporate Documents. Developer has provided a copy of its articles or certificate of incorporation or organization containing the original certification of the Secretary of State; certificates of good standing from the Secretary of State of its state of incorporation or organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws or operating agreement; and such other organizational documentation as the City has requested.

5.08 Economic Disclosure Statement. Developer shall provide to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference.

5.09 Insurance. The Developer, at its own expense, must have insured the Property in accordance with Exhibit C hereto, or Accord Form 27 certificates evidencing the required coverages.

5.10 Pre-Construction Compliance Informational Conference. Developer shall provide to the City a copy of the Pre-Construction Compliance Meeting Follow-Up letter issued and signed by the Department of Housing's Bureau of Construction and Compliance.

5.11 Surveys. Developer shall provide the City with a copy of the Survey(s).

5.12 Construction Contract. Prior to the Closing Date, the Developer must provide DPD with a copy of the construction contract, together with any modifications, amendments or supplements thereto, and upon DPD's request, a copy of any subcontracts. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the Improvements shall be provided to DPD within five (5) business days of the execution thereof.

5.13 Sustainable Development Policy. Developer shall provide evidence acceptable to the City that they have complied with the Sustainable Development Policy for the Project.

5.14 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel in form and substance acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some

of the opinions required by the Corporation Counsel, such opinions must be obtained by Developer from its general corporate counsel or such other counsel acceptable to the Corporation Counsel.

SECTION 6. COMPLETION OF CONSTRUCTION OR REHABILITATION

6.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the Project in accordance with the terms of this Agreement and upon the Developer's written request, DPD shall issue to the Developer a Certificate of Completion of Construction or Rehabilitation (the "Certificate") in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. If the Developer has not fulfilled its obligation, DPD will issue a written statement detailing the measures which must be taken in order to obtain them.

DPD may require a single inspection by an inspecting architect hired at the Developer's expense to confirm the completion of the Project. DPD shall make its best efforts to respond to Developer's written request for the Certificate within forty-five (45) days by issuing the Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for the Certificate upon completion of such measures.

The Developer acknowledges and understands that the City will not issue the Certificate and pay out the City Funds (in accordance with Section 4.04) in connection with the Project, until the following conditions have been met:

- Evidence certified to and acceptable to DPD of the Final Project Cost. As described in Section 4.02, the City Funds will be reduced on a dollar for dollar basis if the Final Project Cost is less than the Estimated Project Cost;
- Evidence that the Developer has incurred Improvement costs in an equal amount to, or greater than, the City Funds;
- Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the developer has complied with building permit requirements for Project;
- Evidence acceptable to DPD that the Project is in compliance with the Operations Covenant and the Occupancy Covenant; and
- Evidence acceptable to DPD in the form of a closeout letter from the Department of Housing's Bureau of Construction and Compliance stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage), as defined in Exhibit E.

6.02 Continuing Obligations. The Certificate relates only to the respective performance of the work associated with the Project improvements. After the issuance of the Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein unrelated to such work will remain in 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. Notwithstanding any provision of this Agreement to the contrary, in addition to any other provisions of this Agreement which

by their terms survive the expiration of the Term of the Agreement, the following will survive until ten years after the Bonds, or any bonds that refinance the Bonds, have been fully paid and retired: (i) the duty to cooperate with and assist the City with the resolution of any governmental or other type of inquiry into or audit of the Bonds, or any bonds that refinance the Bonds, (ii) the duty to cooperate with and assist the City with any actions the City deems necessary in its sole discretion in the event of a Tax-Exemption Default, and (iii) Section 8.

Those covenants specifically described at Sections 7.02, 7.04 and 7.05 as covenants that run with the land will bind any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement or such shorter period as may be explicitly provided for therein. The other executory terms of this Agreement shall be binding only upon the Developer or a permitted assignee under Section 7.01(i) of this Agreement.

6.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, the Certificate will not be issued, and the City will have, but will not be limited to, any of the following rights and remedies, subject in each case to Section 11 hereof:

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

(b) the right to seek reimbursement of the previously disbursed City Funds from the Developer.

6.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD 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.

6.05 Failure to Obtain Certificate. If the Developer has not received the Certificate by the Certificate Deadline, the City shall have the right to terminate the Agreement and cancel any future payments; provided, however, that the Certificate Deadline may be extended for up to one hundred eighty (180) days upon mutual written consent of the parties without additional approval by the City Council.

SECTION 7. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

7.01 General. The representations, warranties and covenants provided by Developer under this Agreement are material conditions precedent to the City's obligations under this Agreement. Developer represents, warrants, and covenants, as of the Closing Date and as of the date of each disbursement of City Funds hereunder and throughout the Term of the Agreement, that:

(a) Developer is a corporation or limited liability company duly incorporated or organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

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

(d) during the Term of the Agreement, the Developer will continue to own good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon), or a leasehold interest therein, free and clear of all liens except for the Permitted Liens and such other matters as DPD may consent to in writing;

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

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

(g) Developer has and shall maintain all government permits, certificates and consents necessary to conduct its business and to construct, complete and operate the Project;

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

(i) Before the Certificate is issued, Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease (except as required by HTC financing for the Project) or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition; provided, however, that this subsection (i) shall not apply to a transfer of property from the Developer to an Affiliate of the Developer;

(j) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except lender financing as disclosed to the City; and

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

7.02 Covenant to Redevelop. Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

7.03 Use of City Funds. City Funds disbursed to Developer shall be used by Developer solely to reimburse Developer for its payment for Improvements as provided in this Agreement.

7.04 Operations Covenant. During the Compliance Period, the Developer hereby covenants and agrees to maintain its operations at the Project (the "Operations Covenant"). The covenants set forth in this Section shall run with the land and be binding upon any transferee.

7.05 Occupancy Covenant. During the Compliance Period, the Developer hereby covenants and agrees to maintain that not less than seventy-five percent (75%) of any commercial space within the Project occupied by businesses shall remain occupied, and otherwise open for business (the "Occupancy Covenant"). The covenants set forth in this Section shall run with the land and be binding upon any transferee. The Occupancy Covenant is intended to assure that the Property does not become blighted and imposes no obligation to collect a minimum amount of taxes, maintain a minimum equalized assessed value, or guarantee revenues with respect to the Project.

7.06 Jobs Reporting Requirement. (a) The Developer, throughout the Term of the Agreement, shall submit to DPD information about the number of jobs created or retained as a result of the Project in a form acceptable to DPD in its sole discretion as part of the Annual Compliance Report.

(b) Developer aspires to create 50 full-time equivalent permanent positions, either directly or through its tenant if the Property is leased, within two (2) years of completion of the Project at the Property, and 195 temporary construction-related full-time equivalent positions in connection with the Project. Failure to create the Permanent Jobs shall not constitute an Event of Default under this Agreement.

7.07 Annual Compliance Report. During the Compliance Period, the Developer shall submit to DPD annually on the anniversary of the issuance of the Certificate the Annual Compliance Report itemizing each of Developer's obligations under this Agreement during the preceding calendar year. If this report is not received within this timeframe, the City will notify Developer in writing of such deficiency. Thereafter, Developer shall have thirty (30) days to file the Annual Compliance Report with DPD. Developer's failure to timely submit the report will constitute an Event of Default.

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

7.09 Conflict of Interest. 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, or any consultant hired by the City or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer's business, the Property or any other property in the redevelopment project area, if any, in which the Property is located.

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

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

7.12 Insurance. The Developer shall provide and maintain during the Term of the Agreement, and cause other applicable parties to provide and maintain, the insurance coverages specified in Exhibit C.

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

7.14 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property in the Recorder's Office of Cook County. If the Permitted Liens include any existing mortgages, such mortgagee must execute a subordination agreement acceptable to the City in its sole discretion.

7.15 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform

subcontractors of this provision and require their compliance.

7.16 Non-Governmental Charges. Except for the Permitted Liens, and subject to the next sentence, the Developer intends to pay or cause to be paid when due any Non-Governmental Charges. The Developer has the right, before any delinquency occurs, to contest any Non-Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property. The parties acknowledge that the remedies available for failure to pay such Non-Governmental Charges are those available under State law, and this agreement shall not confer any additional remedies than those provided by State law.

7.17 Governmental Charges.

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

(b) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property.

(c) No Impermissible Agreements. It is the intent of the Parties that no impermissible agreements related to the payment of taxes by any party that undertakes development of any portion of the Project will be entered into between the Parties. The City covenants not to enter into or enforce any agreements with any taxpayers that are owners of the Project or otherwise liable for taxes for the Project that would modify the obligations of such taxpayers under general law and covenants and agrees that it will not enter into or remain subject to or the beneficiary of any impermissible agreement under Treas. Reg. Section 1.141-4(e)(4), including any agreement that requires Developer or owners of the Property not to contest or protest real estate taxes assessed against the Property or portions thereof, or that prohibits Developer or owners of the Property from seeking a deferral of such property taxes. The City further covenants that it will not impose any special assessments or taxes of non-general applicability on the Property while any tax-exempt Bonds are outstanding and will not collect any of such taxes or assessments while any tax-exempt Bonds are outstanding without first obtaining an opinion of Bond Counsel.

7.18 Developer's Failure to Pay or Discharge Lien. If Developer fails to pay any Governmental

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

7.19 FOIA and Local Records Act Compliance.

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

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

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

SECTION 8. MAINTAINING RECORDS AND RIGHT TO INSPECT

8.01 Books and Records. The Developer, the General Contractor and each subcontractor shall keep and maintain books and records that fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto and as otherwise necessary to evidence the Developer's compliance with its obligations under this Agreement, including, but not limited to, payroll records, General Contractor's and subcontractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices and the like. Such books and

records shall be available at the applicable party's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense.

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

SECTION 9. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that it has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with the requirements of all Environmental Laws and this Agreement. The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City and relating to the Project or the Property.

SECTION 10. INDEMNIFICATION

Developer agrees to indemnify, defend and hold the City, its officers, officials, members, agents and employees harmless from and against any and all losses, costs, damages, liabilities, claims, suits, judgments, demands, actions, causes of action of every kind or nature and expenses (including, without limitation, attorneys' fees and court costs) arising out of or incidental to the failure of Developer to perform its obligations under this Agreement. Upon reasonable notice from the City of any claim which the City believes to be covered hereunder, Developer shall timely appear in and defend all suits brought upon such claim and shall pay all costs and expenses incidental thereto, but the City shall have the right, at its option and at its own expense, to participate in the defense of any suit, without relieving Developer of any of its obligations hereunder. The obligations set forth in this section shall survive any termination or expiration of this Agreement.

SECTION 11. DEFAULT AND REMEDIES

11.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 7, shall constitute an "Event of Default" by the Developer hereunder:

- (a) the failure of Developer to complete the Project in accordance with the terms of this Agreement;
- (b) the failure of the Developer to comply with any covenant or obligation, or the breach by the Developer of any representation or warranty, under this Agreement or any related agreement;
- (c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, 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;

(e) 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;

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

(g) the dissolution of the Developer or the death of any natural person who owns a fifty percent (50%) or more ownership interest in the Developer, unless, in the case of a death, the Developer establishes to the DPD's satisfaction that such death shall not impair the Developer's ability to perform its executory obligations under this Agreement;

(h) in the event the Developer relocates the business without the prior written consent of the City during the Term of the Agreement; or

(i) Developer takes any action or omits to take any action that in any way adversely affects the tax-exempt status of the Bonds, under Section 103 of the Internal Revenue Code of 1986 and all applicable federal income tax regulations, all of the foregoing as determined by the City in its sole discretion (a "Tax-Exemption Default").

11.02 Remedies. Following an Event of Default that remains uncured beyond any applicable notice and cure period, the City may terminate this Agreement and all related agreements, may suspend disbursement of the City Funds and may seek reimbursement of the City Funds. 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.

Notwithstanding the foregoing, if a Tax-Exemption Default has occurred and the City determines, in its sole discretion, that no cure is capable of correcting such default, the City may deliver an immediately effective notice of termination and Developer will promptly repay the City the full amount of the City Funds previously distributed to Developer and fully cooperate with the City in any actions it deems necessary as a result of the Tax-Exemption Default.

11.03 Cure Period. (a) In the event Developer shall fail to perform a covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such covenant within thirty (30) days of its receipt of a written notice from the City specifying

that it has failed to perform such covenant. The Cure Period does not apply to non-monetary defaults which are not capable of being cured within such thirty (30) day period.

(b) If an Event of Default occurs under Section 7.05 or Section 7.06(a), Developer shall be entitled to two non-consecutive one-year cure periods (each being a "Cure Period") during the Compliance Period. During a Cure Period, the City will not be required to make payment of the City Funds. Once cured, any default year by the Developer shall not count towards the required term of the Compliance Period or any other obligation of the Developer under this Agreement. If two Events of Default under Section 7.05 or Section 7.06(a) have occurred and each has been cured within a separate Cure Period, then any subsequent event under Section 7.05 or Section 7.06(a) shall constitute an Event of Default without notice or opportunity to cure.

(c) The Developer shall be entitled to one sixty (60) day cure period for any failure to comply with the provisions of Exhibit F (Construction Compliance), provided that the failure is capable of being cured.

11.04 Additional Notice and Cure Rights. If an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to the HTC Investor and each of the lenders providing Lender Financing at the addresses in Section 13.14, and the HTC Investor, and each of such lenders shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, any party entitled to cure such default may cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such monetary default; and

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such non-monetary default; provided, however, that if such non-monetary default is not reasonably capable of being cured by the HTC Investor or any lender providing Lender Financing within such 30-day period, such period shall be extended for such reasonable period of time agreed to by the City as may be necessary to cure such default, provided that the party seeking such cure must diligently and continuously prosecute the cure of such default until the same has been cured and, if possession of the Project is necessary to effect such cure, the party seeking such cure must have instituted appropriate legal proceedings to obtain possession to the extent such party has the right to do so.

SECTION 12. MORTGAGING OF THE PROJECT

The Permitted Liens are the only mortgages or deeds of trust in place as of the Closing Date with respect to the Property or any portion thereof. No mortgagee shall have the right to succeed to the Developer's rights under this Agreement unless the sale, assignment, or transfer receives the sole written consent of the City. This consent shall be in the City's sole discretion and which, if granted, may be conditioned upon, among other things, the assignee's assumption of all of the Developer's obligations under this Agreement.

Upon the request of a lender providing Lender Financing, the City shall agree to subordinate its interests under this Agreement to the mortgage of such lender pursuant to a written subordination agreement, the form of which shall be in a form reasonably acceptable to the City and Corporation Counsel.

SECTION 13. GENERAL PROVISIONS

13.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto.

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

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

13.04 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.

13.05 No Implied Waivers. No waiver by either Party of any breach of any provision of this Agreement will be a waiver of any continuing or succeeding breach of the breached provision, a waiver of the breached provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to, or demand on, either Party in any case will, of itself, entitle that Party to any further notice or demand in similar or other circumstances.

13.06 Titles and Headings. Titles and headings to paragraphs contained in this Agreement are for convenience only and are not intended to limit, vary, define or expand the content of this Agreement.

13.07 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.

13.08 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.

13.09 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.

13.10 Governing Law and Venue. This Agreement will be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to the principles of conflicts of law thereof. If there is a lawsuit under this Agreement, each Party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois.

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

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

13.13 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 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.

13.14. Notices. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the Notice Addresses, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified mail, return receipt requested. Such Notice 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 clause (a) shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with the overnight courier. Any notice, demand or request sent pursuant to clause (c) shall be deemed received two (2) business days following deposit in the mail.

13.15. Severability. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and

circumstances shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein.

13.16. Survival of Agreements. All warranties, representations, covenants and agreements of this Agreement shall be true, accurate and complete at the time of the execution of this Agreement, and shall survive the execution, delivery and acceptance of this Agreement by the parties hereto and shall be in effect throughout the Term of the Agreement.

13.17. Exhibits. All of the exhibits attached to this Agreement are incorporated into this Agreement by reference.

13.18. 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 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.

Exhibit A
Legal Description of the Property

Property Address: 2222 S. Michigan Avenue, Chicago, Illinois 60616

Property identification numbers (PINs): 17-27-101-019-0000

Legal Description: THE NORTH 1/2 OF BLOCK 8 IN CANAL TRUSTEE'S SUBDIVISION OF THE WEST HALF OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

Exhibit B
Project Budgets (Project, M/WBE, City-Funded Improvements)

	<i>Total Project</i>	<i>MBE/WBE</i>	<i>Eligibles</i>
Total Acquisition Costs	\$0		\$0
Hard Costs			
<i>Building Sitework</i>	\$2,088,774	\$2,088,774	\$2,088,774
<i>Substructure</i>	\$2,090,662	\$2,090,662	\$2,090,662
<i>Shell</i>	\$14,615,028	\$14,615,028	\$14,615,028
<i>Interiors</i>	\$18,530,901	\$18,530,901	\$18,530,901
<i>Services</i>	\$15,086,623	\$15,086,623	\$15,086,623
<i>FFE</i>	\$4,880,636		
<i>Special Construction & Demolition</i>	\$50,287	\$50,287	\$50,287
<i>Hard Cost Contingency</i>	\$2,770,470	\$2,770,470	
Total Hard Costs	\$60,113,381	\$55,232,745	\$52,462,275
Soft Costs			
<i>Architecture & Engineering</i>	\$1,560,655		\$1,560,655
<i>Other Professional Services</i>	\$2,883,230		\$2,516,258
<i>Construction Management</i>	\$1,012,737		\$883,838
<i>Permits & Titles</i>	\$187,932		
<i>Developer Fee</i>	\$1,912,607		\$1,669,174
<i>Soft Cost Contingency</i>	\$605,000		
<i>General Conditions & Requirements</i>	\$2,950,354		\$2,574,839
<i>Overhead & Profit</i>	\$1,602,288		\$1,398,352
Total Soft Costs	\$12,714,803		\$10,603,117
Total	\$72,828,184	\$55,232,745	\$63,065,392

Project MBE Total at 26% **\$14,360,514**
Project WBE Total at 6% **\$3,313,965**

[This section is subject to change based on Risk Management review]

Exhibit C
Insurance Requirements

Developer shall comply, and require its General Contractor and subcontractors to comply, with the City's insurance requirements for the monitoring term. All General Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in the Agreement.

Developer must furnish the Department of Planning and Development with the Certificates of Insurance, or such similar evidence, to be in force on the date of the Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of the Agreement. Developer must submit evidence of insurance prior to closing. Developer shall advise all insurers of the Agreement provisions regarding insurance.

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

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.

Coverage must include the following: All premises and operations, products/completed operations, explosion, collapse, underground, separation of insured, 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.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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

AUTOMOBILE LIABILITY (PRIMARY AND UMBRELLA)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

**Exhibit D
Requisition Form**

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The affiant, [NAME OF DEVELOPER], [TITLE] of [DEVELOPMENT COMPANY] (the "Developer"), hereby certifies that with respect the Redevelopment Agreement between Developer and the City of Chicago dated _____, ____ (the "Agreement"):

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

B. Improvements for the Project, in the amount of \$_____, have been made:

C. This paragraph C sets forth and is a true and complete statement of all costs of Improvements for the Project reimbursed by the City to date: \$_____

D. Developer requests reimbursement for the following cost of Improvements:
\$_____

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

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

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

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

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement. The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer.

[Developer]

By: _____

Name: _____

Title: _____

Subscribed and sworn before me this _____ day of _____, 20____.

Notary Public

My Commission Expires _____

Exhibit E
Annual Compliance Report

[INSERT DEVELOPER NAME]
[PROJECT NAME] REDEVELOPMENT AGREEMENT
Dated as of [INSERT DATE]
[INSERT YEAR] Annual Compliance Report

Pursuant to Section 7.07 of the above referenced redevelopment agreement ("RDA"), [INSERT DEVELOPER NAME] ("Developer") is committed to providing an annual compliance report.

Obligations under the Agreement during the [INSERT YEAR] calendar year:

- (a) Itemize each of Developer's obligations under this Agreement during the preceding calendar year.
 - Compliance with the Operations Covenant (Section 7.04) – Pursuant to Section 7.04 of the RDA, the Project is required to maintain its operations at the Project.
 - Compliance with the Occupancy Covenant (Section 7.05) – Pursuant to Section 7.05 of the RDA, at least seventy five percent (75%) of the Project has remained occupied and otherwise open for business.
 - Compliance with the Jobs Reporting Requirement (Section 7.06).
 - Delivery of Financial Statements and unaudited financial statements (Section 7.11).
 - Delivery of updated insurance certificate (Section 7.12).
 - Provide evidence of payment of Non-Governmental Charges (Section 7.16).
 - Compliance with all executory provisions of the RDA.
- (b) Certify Developer's compliance or noncompliance with such obligations.
 - The Project is in operation.
 - The Property is [INSERT PERCENTAGE] occupied.
- (c) Attach evidence of such compliance or noncompliance.
- (d) Provide a report stating the number of jobs, if any, created as a result of the Project for this reporting period.
- (e) Certify that Developer is not in default beyond applicable notice and cure period with respect to any provision of the Agreement or any related agreements;
 - Developer hereby certifies that the project is not in default with any provisions of the Agreement.

Attachments

I certify that the Developer is not in default with respect to any provision of the Redevelopment Agreement, or any related agreements.

[INSERT DEVELOPER NAME]

[INSERT DATE]

Exhibit F
Construction Compliance

AGREEMENTS WITH CONTRACTORS

1. Bid Requirement for General Contractor and Subcontractors. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DPD, if requested, for its inspection and written approval. (i) For the Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner.
2. Construction Contract. Prior to the Closing Date, the Developer must provide DPD with a certified copy of the construction contract, together with any modifications, amendments or supplements thereto, and upon DPD's request, a copy of any subcontracts. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the Improvements shall be provided to DPD within five (5) business days of the execution thereof.
3. Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer must require the General Contractor to be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.
4. Employment Profile. Upon DPD's request, the Developer, the General Contractor and all subcontractors must submit to DPD statements of their respective employment profiles. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the Construction Hiring Requirements.
5. Other Provisions. In addition to the requirements of Agreements with Contractors, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.06 (Change Orders), Exhibit F. Construction Hiring Requirements, and Section 8.01 (Books and Records) of the RDA.

CONSTRUCTION HIRING REQUIREMENTS

1. Employment Opportunity. The Developer shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (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 Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation,

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

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the 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 Paragraph, 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 (1) through (4) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this paragraph shall be a basis for the City to pursue its remedies under the Redevelopment Agreement.

2. Prevailing Wage. The Developer, the General Contractor and all subcontractors must pay the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all persons working on the Project. 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 Prevailing Wage.

3. 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 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 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, 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 Project.

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

Good faith efforts on the part of 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 Paragraph 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 Paragraph 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 Paragraph. 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 paragraph to be included in all construction contracts and subcontracts related to the Project.

4. 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:

(a) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this paragraph 4, during the course of the Project, at least the following percentages of the MBE/WBE Budget attached hereto as Exhibit B (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

- i. At least 26 percent by MBEs;
and
- ii. At least 6 percent by WBEs.

(b) For purposes of MBE/WBE Commitment 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" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

(c) Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this paragraph 4. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

(d) Prior to the City's issuance of a Final Certificate, the Developer shall provide to DPD a final report describing its efforts to achieve compliance with this MBE/WBE commitment. Such report shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the 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 DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with the Redevelopment Agreement, on five (5) 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 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 Section 2-92-540, Municipal Code of Chicago.

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this paragraph 4 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(g) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Exhibit F. During this meeting, the Developer shall

demonstrate to DPD its plan to achieve its obligations under this Exhibit F, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall, upon the request of the monitoring staff of DPD, such interim reports as the monitoring staff may require. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder.