
2013 Annual Report

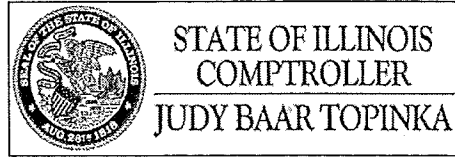
North Pullman Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2014

FY 2013
ANNUAL TAX INCREMENT FINANCE
REPORT



Name of Municipality: City of Chicago Reporting Fiscal Year: 2013
 County: Cook Fiscal Year End: 12 /31/2013
 Unit Code: 016/620/30

TIF Administrator Contact Information

First Name: Andrew J. Last Name: Mooney
 Address: City Hall, 121 N. LaSalle Title: Administrator
 Telephone: (312) 744 0025 City: Chicago, IL Zip: 60602
 Mobile n/a E-mail _____
 Mobile _____ Best way to Email _____ Phone _____
 Provider n/a contact Mobile Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of _____
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]
 _____ 6.24.14
 Written signature of TIF Administrator Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
134th and Avenue K	3/12/2008	12/31/2032
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
40th/State	3/10/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	12/31/2022
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2026
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th Street/St. Lawrence Avenue	1/10/1996	12/31/2020
51st/ Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: 2013
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53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029
79th Street Corridor	7/8/1998	7/8/2021
79th Street/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	12/31/2014
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/2010	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028

Name of Municipality: Chicago
 County: Cook
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Reporting Fiscal Year: 2013
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Devon/Western	11/3/1999	12/31/2023
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Drexel Boulevard	7/10/2002	12/31/2026
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2013
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan-Arthington	2/5/1998	2/5/2021
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	12/31/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034

Name of Municipality: Chicago
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Reporting Fiscal Year: 2013
 Fiscal Year End: 12 / 31 / 2013

Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	12/31/2015
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Industrial Commercial	3/9/1989	12/31/2013
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Weed/Fremont	1/8/2008	12/31/2032
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park	3/11/1998	3/11/2021
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2030

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2013**

Name of Redevelopment Project Area: North Pullman Redevelopment Project Area
Primary Use of Redevelopment Project Area*: Combination/Mixed
If "Combination/Mixed" List Component Types: Commercial/Residential/Public Facilities
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2013, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

FY 2013

TIF NAME: North Pullman Redevelopment Project Area

Fund Balance at Beginning of Reporting Period \$ 113,025

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	81,556	\$ 634,950	7%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	2,876	4,669	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources	8,100,000	8,100,000	93%
Private Sources			0%
Other (Identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period 8,184,432

Cumulative Total Revenues/Cash Receipts \$ 8,739,619 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) 8,114,599

Distribution of Tax Liability 83,060

Distribution of Surplus -

Total Expenditures/Disbursements 8,197,659

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS (13,227)

FUND BALANCE, END OF REPORTING PERIOD* \$ 99,798

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Total Amount Designated (Carried forward from Section 3.3) \$ 99,798

SECTION 3.2 A

PAGE 2

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)

\$ -

8. Financing costs. Subsection (q) (6) and (o)(8)

\$ -

9. Approved capital costs. Subsection (q)(7) and (o)(9)

\$ -

10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY

\$ -

11. Relocation costs. Subsection (q)(8) and (o)(10)

\$ -

12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)

\$ -

13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)

\$ -

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 8,114,599

Section 3.2 B

FY 2013

TIF NAME: North Pullman Redevelopment Project Area

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

Name	Service	Amount
Pullman Park Development	Development	\$6,100,000
Chicago Neighborhood Initiatives	Development	\$2,000,000
Neighborhood Housing Services Chicago	Rehabilitation Program	\$12,133

* This table may include payments for Projects that were undertaken prior to 11/1/1999.

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2013

TIF NAME: North Pullman Redevelopment Project Area

FUND BALANCE, END OF REPORTING PERIOD \$ 99,798

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Restricted for debt service	\$ -	\$ -

Total Amount Designated for Obligations \$ - | \$ -

2. Description of Project Costs to be Paid		
Restricted for future redevelopment project costs		\$ 99,798

Total Amount Designated for Project Costs \$ 99,798

TOTAL AMOUNT DESIGNATED \$ 99,798

SURPLUS*/(DEFICIT) \$ -

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2013

TIF NAME: North Pullman Redevelopment Project Area

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X **No property was acquired by the Municipality Within the Redevelopment Project Area**

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2013

TIF NAME: North Pullman Redevelopment Project Area

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____

ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.

3

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken	\$ -	\$ -	\$ 38,540,068
Public Investment Undertaken	\$ 6,981,038	\$ 7,600,000	\$ 19,600,000
Ratio of Private/Public Investment	0		1 86/89

Project 1:**Neighborhood Improvement Fund (NIF) ****

Project is Ongoing ***

Private Investment Undertaken			\$ 1,000,000
Public Investment Undertaken	\$ 381,038		\$ 500,000
Ratio of Private/Public Investment	0		2

Project 2:**Pullman Park**

Project is Ongoing ***

Private Investment Undertaken			\$ 34,000,000
Public Investment Undertaken	\$ 6,100,000		\$ 11,000,000
Ratio of Private/Public Investment	0		3 1/11

Project 3:**Method Pullman Factory**

Project is Ongoing ***

Private Investment Undertaken			\$ 3,540,068
Public Investment Undertaken	\$ 500,000	\$ 7,600,000	\$ 8,100,000
Ratio of Private/Public Investment	0		7/16

Project 4:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

** Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator or to the ultimate grantee as each ultimate grantee's work is approved under the program.

*** As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

General Notes

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

**SECTION 6
FY 2013**

TIF NAME: North Pullman Redevelopment Project Area

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

_____ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7
Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8
Provide a general description of the redevelopment project area using only major boundaries:

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	X

North Pullman Redevelopment Project Area 2013 Annual Report



STATE OF ILLINOIS)

) SS

Attachment B

COUNTY OF COOK)

CERTIFICATION

TO:

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Barbara Byrd-Bennett
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

James R. Dempsey
Associate Vice Chancellor-Finance
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Herman Brewer
Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 3000
Chicago, Illinois 60602

Douglas Wright
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Lawrence Wilson, Comptroller
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, General Superintendent &
CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the North Pullman Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B

1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2013, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2014.

Handwritten signature of Rahm Emanuel in black ink, written over a horizontal line.

Rahm Emanuel, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW

June 30, 2014

CITY OF CHICAGO

Attachment C

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Barbara Byrd-Bennett
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

James R. Dempsey
Associate Vice Chancellor-Finance
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance
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of Greater Chicago
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69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, General Superintendent
& CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

Re: North Pullman
Redevelopment Project Area (the "Redevelopment Project
Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

Attachment C

Opinion of Counsel for 2013 Annual Report
Page 2

June 30, 2014

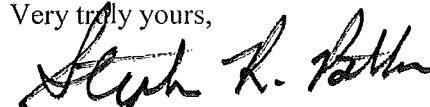
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Stephen R. Patton
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

Activities Statement

Projects that were implemented during the preceding fiscal year are set forth below:

<u>Name of Project</u>
Pullman Park
Method Pullman Factory

This agreement was prepared by
and after recording return to:
William A. Nyberg, Esq.
City of Chicago Law Department
121 North LaSalle Street
Room 600
Chicago, Illinois 60602

1328210057
Doc#: 1328210057 Fee: \$68.00
RHSP Fee:\$9.00 RPRF Fee: \$1.00
Karen A.Yarbrough
Cook County Recorder of Deeds
Date: 10/09/2013 04:01 PM Pg: 1 of 16

This space reserved for Recorder's use only.

**FIRST AMENDMENT
TO PULLMAN PARK DEVELOPMENT, LLC AND
CHICAGO NEIGHBORHOOD INITIATIVES, INC.
REDEVELOPMENT AGREEMENT**

This First Amendment to Pullman Park Development, LLC and Chicago Neighborhood Initiatives, Inc. Redevelopment Agreement (this "**First Amendment**") is made and entered into as of this 1st day of October, 2013 (the "**Effective Date**") by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Housing and Economic Development ("**HED**"), and Pullman Park Development, LLC, an Illinois limited liability company ("**Pullman Park Development**") and its managing member: Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit company ("**Chicago Neighborhood Initiatives**"), jointly and severally as to all rights and liabilities under this First Amendment. For purposes of this First Amendment, Pullman Park Development and Chicago Neighborhood Initiatives are defined, jointly and severally, as "**Developer**".

RECITALS:

A. On June 7, 2013 (the "**Original Agreement Closing Date**"), the City and Developer entered into that certain Pullman Park Development, LLC and Chicago Neighborhood Initiatives, Inc. Redevelopment Agreement, recorded on June 7, 2013 in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. 1315829080 (the "**Original Agreement**"), as authorized by ordinance approved by the City Council of the City on March 13, 2013, pertaining to property located in the North Pullman Redevelopment Project Area in the vicinity of 111th Street and Doty Avenue and legally described on Exhibit A-1 attached hereto (the "**Property**").

B. The Original Agreement contemplates, among other things, development of the Property with certain retail and commercial space, more particularly described and defined in the Original Agreement as the "**Phase 1b New Work**," to be paid for, in part, with the proceeds of a certain "**City Note A**" and "**City Note B**" (both as defined in the Original Agreement). The Original Agreement provides for City Note A and City Note B to be secured by and repaid using

"Available Incremental Taxes," consisting of all of the **"Incremental Taxes"** (as defined in the Original Agreement) attributed to the taxes levied on the former Ryerson Steel site and deposited in the North Pullman Redevelopment Project Area Special Tax Allocation Fund, which includes the Property and other land not being developed with the Phase 1b New Work or the Project (as defined in the Original Agreement).

C. The property that is the subject of the Available Incremental Taxes is defined in the Original Agreement by reference to four property index numbers (the **"Existing Undivided PINs"**). One of the Existing Undivided PINs, PIN 25-15-406-024, describes property that is not located in the North Pullman Redevelopment Project Area, but is instead located in the adjacent Lake Calumet Redevelopment Project Area. The property comprising PIN 25-15-406-024 has been further divided into multiple property tax parcels and assigned the following new property tax index numbers (**"PINs"**): PIN 25-15-406-051 and PIN 25-15-406-052. Because it is not located in the North Pullman Redevelopment Project Area, the property comprising PIN 25-15-406-024 (and its derivative PINs 25-15-406-051 and PIN 25-15-406-052) would not generate Incremental Taxes, and the inclusion of PIN 25-15-406-024 in the definition of Available Incremental Taxes in the Original Agreement was inadvertent. The City and Developer desire to correct this technical error and exclude PIN 25-15-406-024 from the definition of Available Incremental Taxes in the Original Agreement by entering into this First Amendment.

D. Another of the Existing Undivided PINs, PIN 25-14-300-008, includes property that is now proposed to be developed with an industrial facility (the **"Industrial Facility"**) to be owned and used by a third party, unrelated to the Project. The property on which the Industrial Facility will be located is legally described on Exhibit A-2 attached hereto (the **"Industrial Parcel"**). PIN 25-14-300-008 includes the Industrial Parcel and other unrelated property, and has been further divided into multiple PINs as a result of subdivision and tax parcel division activity unrelated to the Industrial Facility. PIN 25-14-300-023 is one of the PINs that was created by this subdivision and tax parcel division activity, and is the PIN that currently includes the Industrial Parcel together with other unrelated property. Developer intends to finalize and record a plat of subdivision to create a separate lot of record and a separate PIN describing only the Industrial Parcel. This dedicated PIN is anticipated to be issued by the Cook County Assessor's Office in September 2014 for tax year 2014 (payable 2015).

E. In order to facilitate the development of the Industrial Facility, the City and Developer desire to amend the Original Agreement to exclude the Incremental Taxes attributable to the Industrial Parcel from the security and source of repayment for City Note A and City Note B for the Project and, accordingly, to remove the Industrial Parcel from the definition of Available Incremental Taxes.

F. By this First Amendment, the parties hereto intend that the property described by the Existing Undivided PINs, other than the Industrial Parcel and the property comprising PIN 25-15-406-024 (and its derivative PINs 25-15-406-051 and PIN 25-15-406-052), will continue to be part of the property that is the subject of the Available Incremental Taxes. For illustrative purposes, attached as Exhibit B-1 is a depiction of the property that shall be the subject of the Available Incremental Taxes.

G. The modifications to the Original Agreement set forth in this First Amendment do

not constitute "material" amendments or changes as defined in Section 18.01 of the Original Agreement in that they do not operate to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer by more than five percent (5%), or materially change the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increase any time for performance by Developer by more than 180 days.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained in this First Amendment, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Developer and the City hereby agree as follows:

AGREEMENT:

ARTICLE 1: INCORPORATION OF RECITALS AND EXHIBITS

The recitals stated above and the exhibits attached hereto are an integral part of this First Amendment and are hereby incorporated into this First Amendment by reference and made a part of this First Amendment.

ARTICLE 2: CAPITALIZED TERMS

Capitalized terms used in this First Amendment shall have the meanings set forth herein. Capitalized terms used in this First Amendment not defined herein shall have the meanings given in the Original Agreement.

ARTICLE 3: AVAILABLE INCREMENTAL TAXES

3.01 The definition of "Available Incremental Taxes" set forth in Schedule A of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"Available Incremental Taxes" means all Incremental Taxes (as defined below) deposited in the North Pullman Redevelopment Project Area Special Tax Allocation Fund attributed to the taxes levied on the former Ryerson Steel site, excluding the Industrial Parcel, with a roster of applicable PINs scheduled in Amended Exhibit B-4.

3.02 Exhibit B-4 to the Original Agreement is hereby deleted in its entirety and replaced with the Amended Exhibit B-4 attached to this First Amendment as Exhibit B-2.

ARTICLE 4: ADDITIONAL PROVISIONS

4.01 Authority of Developer. Developer represents, warrants, and covenants, as of the date of this First Amendment, that:

- (a) Pullman Park Development has the right, power and authority to enter into, execute and deliver this First Amendment, and to perform the Original Agreement, as amended by this First Amendment;

(b) the execution and delivery of this First Amendment, and the performance of the Original Agreement, as amended by this First Amendment, have been duly authorized by all necessary limited liability company action, and does not and will not violate its Articles of Organization as amended and supplemented, its operating agreement, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Pullman Park Development is now a party or by which Pullman Park Development or any of its assets is now or may become bound;

(c) Chicago Neighborhood Initiatives has the right, power and authority to enter into, execute and deliver this First Amendment, and to perform the Original Agreement, as amended by this First Amendment; and

(d) the execution and delivery of this First Amendment, and the performance of the Original Agreement, as amended by this First Amendment, have been duly authorized by all necessary not-for-profit corporate action, and does not and will not violate its Articles of Incorporation as amended and supplemented, its by-laws, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Chicago Neighborhood Initiatives is now a party or by which Chicago Neighborhood Initiatives or any of its assets is now or may become bound.

4.02 Authority of City. The City represents that it is authorized as a home rule unit of local government and pursuant to Section 18.01 and Section 18.20 of the Original Agreement, in addition to such authority cited in the Original Agreement, to execute and deliver this First Amendment and to perform its obligations under the Original Agreement, as amended by this First Amendment.

4.03 Full Force and Effect. Except as amended hereby, the Original Agreement shall remain in full force and effect, and the terms of such Original Agreement are incorporated by reference, as if fully set forth herein.

4.04 Miscellaneous. In the event of any inconsistency between the terms of this First Amendment and the Original Agreement, this First Amendment shall govern and control in all instances.

4.05 Counterparts. This First Amendment may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, this First Amendment is effective as of the date first written above.

PULLMAN PARK DEVELOPMENT, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY

By its managing member: Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation:

By: 

Printed Name: David Doig

Title: President, Chicago Neighborhood Initiatives, its managing partner

CHICAGO NEIGHBORHOOD INITIATIVES, INC., an Illinois not-for-profit corporation

By: 

Printed Name: David Doig

Title: President

CITY OF CHICAGO

By: _____

Commissioner, Department of Housing and Economic Development

IN WITNESS WHEREOF, this First Amendment is effective as of the date first written above.

**PULLMAN PARK DEVELOPMENT, LLC, AN
ILLINOIS LIMITED LIABILITY COMPANY**

**By its managing member: Chicago
Neighborhood Initiatives, Inc., an Illinois not-
for-profit corporation:**

By: _____

Printed
Name: _____

Title: _____

**CHICAGO NEIGHBORHOOD INITIATIVES, INC.,
an Illinois not-for-profit corporation**

By: _____

Printed
Name: _____

Title: _____

CITY OF CHICAGO

By: _____

Andrew J. Mooney

**Commissioner, Department of Housing and
Economic Development**

STATE OF Illinois)
) SS
COUNTY OF Cook)

I, Maria Meduga, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David Doig, personally known to me to be the President of Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation, which is the managing member of PULLMAN PARK DEVELOPMENT, LLC, an Illinois limited liability company (the "Developer") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 25 day of September, 2013.



Maria G. Meduga
Notary Public

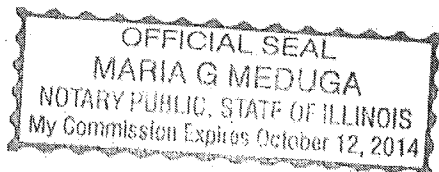
My Commission Expires October 12, 2014

(SEAL)

STATE OF Illinois)
) SS
COUNTY OF Cook)

I, Maria Meduga, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David Dain, personally known to me to be the President of Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation, (the "Developer") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 25 day of September, 2013.



Maria G. Meduga
Notary Public

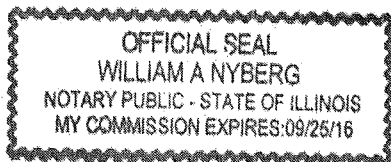
My Commission Expires October 12, 2014

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

GIVEN under my hand and official seal this 1st day of October, 2013.



William A. Nyberg
Notary Public

My Commission Expires 09/25/16

EXHIBIT A-1

LEGAL DESCRIPTION OF THE PROPERTY

THAT PART OF LOT 2 IN PULLMAN PARK - PHASE 1, BEING A SUBDIVISION OF PART OF THE WEST HALF OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 19, 2011 AS DOCUMENT 1120029049, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 2; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST, 139.82 FEET TO THE POINT OF BEGINNING; THENCE NORTHEASTERLY 11.52 FEET, ALONG THE ARC OF A NON-TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 8.50 FEET AND WHOSE CHORD BEARS NORTH 60 DEGREES 24 MINUTES 51 SECONDS EAST, 10.66 FEET TO A POINT OF TANGENCY; THENCE NORTH 21 DEGREES 35 MINUTES 01 SECONDS EAST, 211.14 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY 93.54 FEET, ALONG THE ARC OF A TANGENT CIRCLE TO THE RIGHT, HAVING A RADIUS OF 151.50 FEET AND WHOSE CHORD BEARS NORTH 39 DEGREES 16 MINUTES 16 SECONDS EAST, 92.06 FEET TO A POINT OF TANGENCY; THENCE NORTH 56 DEGREES 57 MINUTES 30 SECONDS EAST, 17.18 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY 91.68 FEET, ALONG THE ARC OF A TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 148.50 FEET AND WHOSE CHORD BEARS NORTH 39 DEGREES 16 MINUTES 16 SECONDS EAST, 90.24 FEET TO A POINT OF TANGENCY; THENCE NORTH 21 DEGREES 35 MINUTES 01 SECONDS EAST, 89.00 FEET TO A POINT OF CURVATURE; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST, PERPENDICULAR TO THE LAST COURSE, 215.17 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY 29.06 FEET, ALONG THE ARC OF A TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 18.50 FEET AND WHOSE CHORD BEARS NORTH 66 DEGREES 35 MINUTES 01 SECONDS EAST, 26.16 FEET TO A POINT OF TANGENCY; THENCE NORTH 21 DEGREES 35 MINUTES 01 SECONDS EAST, 52.46 FEET; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST; PERPENDICULAR TO THE LAST COURSE, 246.00 FEET; THENCE SOUTH 21 DEGREES 35 MINUTES 01 SECONDS WEST, PERPENDICULAR TO THE LAST COURSE, 16.00 FEET; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST, PERPENDICULAR TO THE LAST COURSE, 156.00 FEET; THENCE SOUTH 21 DEGREES 35 MINUTES 01 SECONDS WEST, PERPENDICULAR TO THE LAST COURSE, 545.08 FEET TO A POINT ON A SOUTHERLY LINE OF SAID LOT 2; THENCE WESTERLY ALONG THE SOUTHERLY LINES OF SAID LOT 2 FOR THE NEXT THREE COURSES; (1) THENCE NORTH 68 DEGREES 24 MINUTES 59 SECONDS WEST, 70.47 FEET; (2) THENCE NORTH 71 DEGREES 50 MINUTES 56 SECONDS WEST, 100.21 FEET; (3) THENCE NORTH 68 DEGREES 24 MINUTES 59 SECONDS WEST, 537.18 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PIN: 25-14-300-013-0000 (affects Property and other property)

EXHIBIT A-2

LEGAL DESCRIPTION OF THE INDUSTRIAL PARCEL

A PARCEL OF LAND IN PARTS OF THE SOUTHWEST QUARTER OF SECTION 14 AND THE SOUTHEAST QUARTER OF SECTION 15, ALL IN TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE SAID SOUTHEAST QUARTER OF SECTION 15, OR THE WEST LINE OF SAID WEST HALF OF SECTION 14, WITH THE NORTH LINE OF EAST 111TH STREET (BEING A LINE DRAWN PARALLEL WITH AND 50 FEET NORTH OF THE SOUTH LINE OF SAID SECTIONS 14 AND 15); RUNNING THENCE NORTH ALONG SAID WEST LINE, A DISTANCE OF 511.00 FEET TO A POINT ON THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 4 IN PULLMAN PARK – PHASE 1 RECORDED JUNE 19, 2011 AS DOCUMENT 1120029049 TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 25.25 FEET ALONG SAID WEST LINE TO A POINT ON A LINE 75.00 FEET SOUTHEASTERLY OF AND CONCENTRIC WITH THE EASTERLY LINE OF CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY (30 FEET WIDE, FORMERLY THE PULLMAN RAILROAD); THENCE NORTHERLY 21.41 FEET, ALONG SAID CONCENTRIC ARC OF A TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 345.04 FEET AND WHOSE CHORD BEARS NORTH 15 DEGREES 36 MINUTES 05 SECONDS EAST, 21.41 FEET TO A POINT OF TANGENCY; THENCE NORTH 13 DEGREES 49 MINUTES 25 SECONDS EAST, ALONG A LINE 75.00 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE EASTERLY LINE OF CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY (30 FEET WIDE, FORMERLY THE PULLMAN RAILROAD), 1688.44 FEET; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST, PERPENDICULAR WITH THE NORTHWESTERLY LINE OF SAID PULLMAN PARK – PHASE 1, A DISTANCE OF 818.71 FEET TO A POINT ON THE NORTHWEST LINE OF SAID PULLMAN PARK – PHASE 1; THENCE SOUTH 21 DEGREES 35 MINUTES 01 SECONDS WEST, ALONG SAID NORTHWEST LINE, 1021.00 FEET TO A BEND POINT; THENCE NORTH 68 DEGREES 24 MINUTES 59 SECONDS WEST, ALONG A NORTHERLY LINE OF LOT 4 IN SAID PULLMAN PARK – PHASE 1, A DISTANCE OF 360.98 FEET TO A CORNER THEREOF; THENCE WESTERLY 42.32 FEET, ALONG THE ARC OF A NON-TANGENT CIRCLE TO THE RIGHT, HAVING A RADIUS OF 53.00 FEET AND WHOSE CHORD BEARS SOUTH 70 DEGREES 10 MINUTES 43 SECONDS WEST, 41.21 FEET TO A POINT ON A NON-TANGENT LINE, SAID NON-TANGENT LINE ALSO BEING A WESTERLY LINE OF SAID LOT 4; THENCE SOUTH 22 DEGREES 54 MINUTES 29 SECONDS WEST, ALONG SAID WESTERLY LINE, 596.09 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 4; THENCE SOUTH 88 DEGREES 36 MINUTES 34 SECONDS WEST, ALONG THE WESTERLY EXTENSION

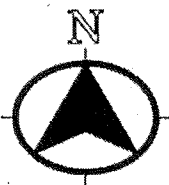
OF SAID SOUTH LINE, 187.75 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO KNOWN AS PART OF LOT 5 IN PLAT OF SUBDIVISION PULLMAN PARK - PHASE 2 TO BE RECORDED.

PIN: 25-14-300-023-0000 (affects Industrial Parcel and other land)

EXHIBIT B-1

DEPICTION OF THE AREA COMPRISING THE AVAILABLE INCREMENTAL TAXES



SCALE: 1" = 600'

EXHIBIT B-1

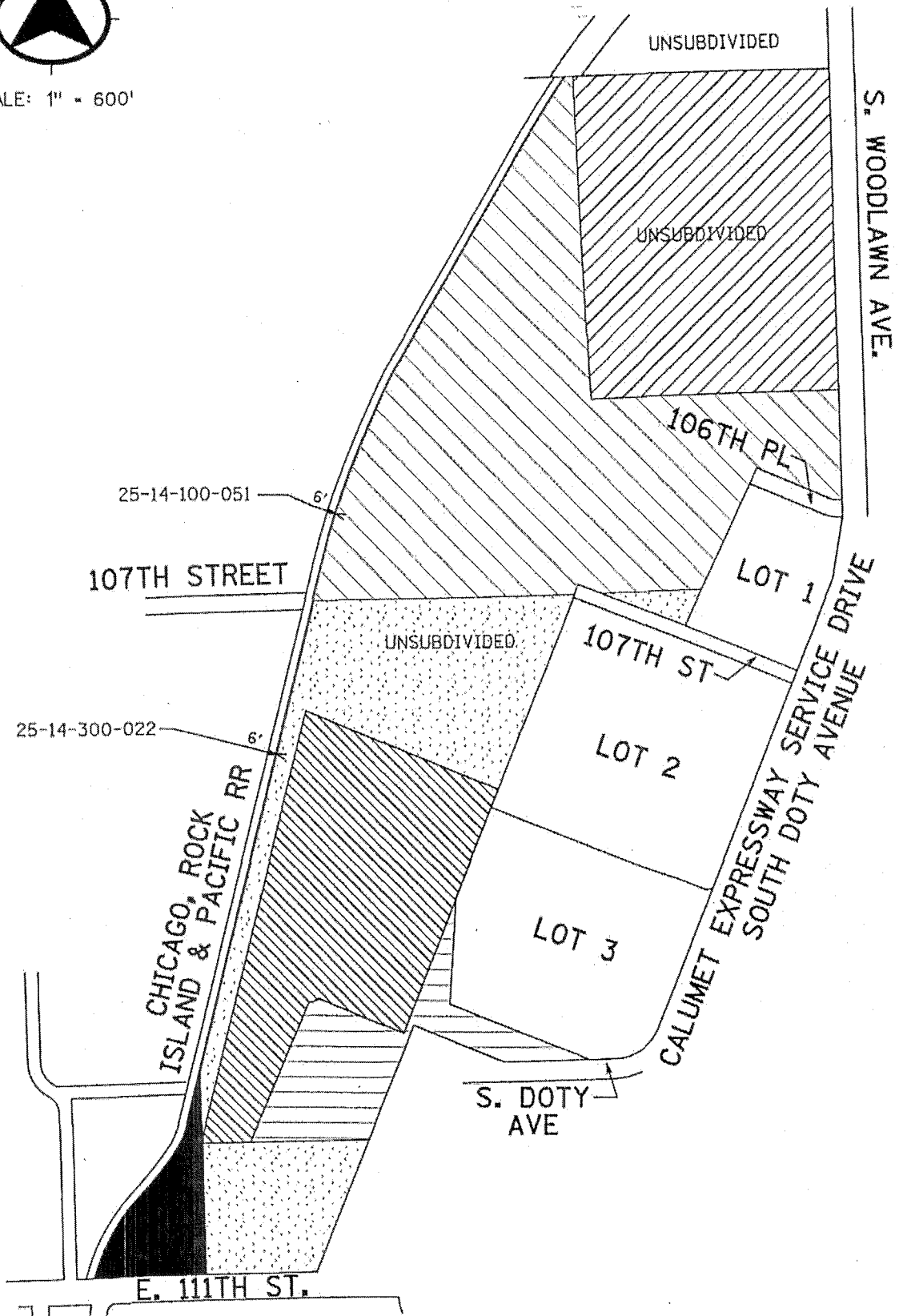
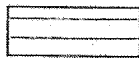


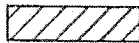
EXHIBIT B-1

AVAILABLE INCREMENTAL TAXES PERMANENT INDEX NUMBERS

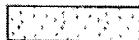
LOT 1 = 25-14-100-049
LOT 2 = 25-14-300-013
LOT 3 = 25-14-300-014
25-14-300-015



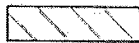
= 25-14-300-024
25-14-300-016



= 25-14-100-045



= 25-14-300-023
(EXCLUDING INDUSTRIAL PARCEL;
NEW PIN DESCRIBING REMAINDER
PARCEL TO BE ASSIGNED
SEPTEMBER, 2014)



= 25-14-100-052

6' PARCEL = 24-14-100-051
(LOCATION
SHOWN ON MAP)

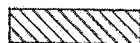
6' PARCEL = 24-14-300-022
(LOCATION
SHOWN ON MAP)

PARCELS EXCLUDED FROM AVAILABLE INCREMENTAL TAXES



= PIN 25-15-406-024
*NOTE: PIN 25-15-406-024
HAS BEEN FURTHER DIVIDED
INTO PIN 25-15-406-051 &
PIN 25-15-406-052

[UNAVAILABLE BECAUSE PARCEL
IS PART OF LAKE CALUMET
TIF DISTRICT]



= INDUSTRIAL PARCEL
**NOTE: PIN TO BE ASSIGNED
TO THIS PARCEL SEPTEMBER,
2014

[UNAVAILABLE BECAUSE PARCEL
WILL BE SUBJECT TO A SEPARATE
REDEVELOPMENT AGREEMENT]

EXHIBIT B-2

AMENDED EXHIBIT B-4

List of PINS Used to Calculate Available Incremental Taxes

A list of PINS for the property comprising the former Ryerson Steel Site, excluding the Industrial Parcel, which will be used to calculate Available Incremental Taxes is:

25-14-100-045

25-14-300-008 (excluding therefrom the Industrial Parcel)*

[PIN 25-14-300-008 has been further divided into the following PINS: 25-14-300-013, 25-14-300-014, 25-14-300-015, 25-14-300-016, 25-14-300-022, 25-14-300-023 and 25-14-300-024]

25-14-100-046

[PIN 25-14-100-046 has been further divided into the following PINS: 25-14-100-049, 25-14-100-051 and 25-14-100-052]

*The Industrial Parcel shall not be used to calculate Available Incremental Taxes. Developer intends to finalize and record a plat of subdivision to create a separate lot of record for the Industrial Parcel, which will result in the division of PIN 25-14-300-023 into new PINs for the Industrial Parcel and the remainder parcel. Promptly upon receipt of notice from the Cook County Assessor as to the assignment of such new PINs, the Developer shall notify the City of same and inform the City of the resulting PINs. The PIN assigned to the Industrial Parcel shall not be included in this Amended Exhibit B-4. The remaining property comprising PIN 25-14-300-023 (which is a part of the land previously designated as PIN 25-14-300-008), excluding the Industrial Parcel, will be used to calculate Available Incremental Taxes, together with the property comprising the other PINs set forth above.

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

(This space reserved for Recorder's use only)

Execution Draft 6 June 2013

**PULLMAN PARK DEVELOPMENT, LLC AND
CHICAGO NEIGHBORHOOD INITIATIVES, INC.
REDEVELOPMENT PROJECT**

TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

**NORTH PULLMAN
REDEVELOPMENT PROJECT AREA**

**PULLMAN PARK DEVELOPMENT, LLC AND
CHICAGO NEIGHBORHOOD INITIATIVES, INC.
REDEVELOPMENT AGREEMENT**

DATED AS OF June 7, 2013

BY AND BETWEEN

THE CITY OF CHICAGO

AND, JOINTLY AND SEVERALLY,

PULLMAN PARK DEVELOPMENT, LLC,
an Illinois limited liability company

AND

ITS MANAGING MEMBER: CHICAGO NEIGHBORHOOD
INITIATIVES, INC., an Illinois not-for-profit company

**NORTH PULLMAN
REDEVELOPMENT PROJECT AREA**

**PULLMAN PARK DEVELOPMENT, LLC AND
CHICAGO NEIGHBORHOOD INITIATIVES, INC.
REDEVELOPMENT AGREEMENT
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**NORTH PULLMAN
REDEVELOPMENT PROJECT AREA**

**PULLMAN PARK DEVELOPMENT, LLC AND
CHICAGO NEIGHBORHOOD INITIATIVES, INC.
REDEVELOPMENT AGREEMENT
LIST OF SCHEDULES AND EXHIBITS**

Schedules

Schedule A	Definitions
Schedule B	Insurance Requirements

(An asterisk(*) indicates which exhibits are to be recorded.)

Exhibits

Exhibit A	*Redevelopment Area Legal Description
Exhibit B-1	*Legal Description of the Property
Exhibit B-2	*Site Plan for the Project
Exhibit B-3	Planned Development No. 1167
Exhibit B-4	List of PINS Used to Calculate Available Incremental Taxes
Exhibit C	Redevelopment Plan
Exhibit D-1	*Project Budget
Exhibit D-2	*Construction (MBE/WBE) Budget
Exhibit E	*Schedule of TIF-Funded Improvements
Exhibit F-1	Form of Escrow Agreement
Exhibit F-2	Form of Reserve Escrow Agreement
Exhibit G	Construction Contract
Exhibit H	Approved Prior Expenditures
Exhibit I	Permitted Liens
Exhibit J	Form of Opinion of Developer's Counsel
Exhibit K	Form of Junior Mortgage
Exhibit L	Form of Payment and Performance Bond
Exhibit M-1	Form of City Note A and Related Certificate of Expenditure
Exhibit M-2	Form of City Note B and Related Certificate of Expenditure
Exhibit N	City Funds Requisition Form
Exhibit O	Form of City Subordination Agreement

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

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**NORTH PULLMAN
REDEVELOPMENT PROJECT AREA**

**PULLMAN PARK DEVELOPMENT, LLC AND
CHICAGO NEIGHBORHOOD INITIATIVES, INC.
REDEVELOPMENT AGREEMENT**

This Pullman Park Development, LLC and Chicago Neighborhood Initiatives, Inc. Redevelopment Agreement (the "**Agreement**") is made as of this 7th day of June, 2013, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Housing and Economic Development ("**HED**"), and Pullman Park Development, LLC, an Illinois limited liability company ("**Pullman Park Development**") and its managing member: Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit company ("**Chicago Neighborhood Initiatives**") jointly and severally as to all rights and liabilities under this Agreement. For purposes of this Agreement, Pullman Park Development and Chicago Neighborhood Initiatives are defined, jointly and severally, as "**Developer**".

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 and create employment opportunities, and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time-

to-time (the "Act"), to finance projects that eradicate blighted conditions through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on June 30, 2009: (1) "An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the North Pullman Redevelopment Project Area" (the "**Plan Adoption Ordinance**"); (2) "An Ordinance of the City of Chicago, Illinois Designating The North Pullman Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the North Pullman Redevelopment Project Area" (the "**TIF Adoption Ordinance**"). Collectively the three ordinances are defined as the "**TIF Ordinances**". The redevelopment project area (the "**Redevelopment Area**") is legally described in Exhibit A.

D. The Project: Pullman Park Development has purchased (the "**Acquisition**") certain property located within the Redevelopment Area in the vicinity of 111th Street and Doty Avenue, as legally described on Exhibit B-1 (the "**Property**"), and, within the time frames set forth in Section 3.01, shall commence and complete construction of approximately 67,000 square feet of in-line, small shop and mid-box retail space, including the following components (collectively, the "**Phase 1b New Work**"): (a) site preparation (demolition, utilities, dynamic compaction and grading), environmental remediation, parking lot improvements and landscaping; (b) vertical construction of approximately 67,000 square feet of in-line retail space; and (c) construction of a CTA bus stop and access that will allow for bus service to be provided to the new retail development, all in conformity with the Plans and Specifications. A site plan for the Phase 1b New Work is contained in Exhibit B-2. In connection therewith, Developer has already completed the following public infrastructure improvements (collectively, the "**Phase 1b Completed Work**"): (i) rebuilding Woodlawn/Doty Avenue from 103rd Street to 107th Street and (ii) constructing intersection improvements at 103rd and Woodlawn. The Phase 1b New Work and the Phase 1b Completed Work are defined in this Agreement as the "**Phase 1b Retail Project**". The Phase 1b Completed Work was funded by a State of Illinois grant administered by the Illinois Department of Commerce and Economic Opportunity (the "**DCEO Grant**"). As a precursor to the Phase 1b Completed Work, Developer has completed other infrastructure improvements – the construction and extension of Doty Avenue from 107th Street to 111th Street, intersection improvements at 111th Street and Doty Avenue, interchange ramp improvements at 111th Street and the Bishop Ford Freeway and the construction of two detention ponds to manage stormwater for the Phase 1b Retail Project (the "**Phase 1a Infrastructure Improvements**") – and incurred costs in connection therewith. The Acquisition and the construction of the Phase 1b Retail Project and the Phase 1a Infrastructure Improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit E) are collectively defined as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan and Planned Development: The Project will be carried out in accordance with: (i) this Agreement, (ii) the City of Chicago North Pullman Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project attached as Exhibit C, as in effect on the date of this Agreement (the “**Redevelopment Plan**”), and (iii) Planned Development No. 1167 approved by the City Council on June 30, 2010, a copy of which is attached as Exhibit B-3, as further amended or administratively adjusted by the City following the date hereof (“**PD 1167**”), unless and until PD 1167 is sunsetted by the City.

F. City Financing and Assistance: Subject to Developer fulfilling those obligations under this Agreement that are the applicable conditions precedent to obligate the City to do so, the City will: (i) make a total of \$6.1 million in cash payments to Developer on the Closing Date, to reimburse Developer for a portion of the costs of the Phase 1a Infrastructure Improvements, which have already been incurred and paid, consisting of costs for public improvements under the Act; (ii) issue to Chicago Neighborhoods Initiatives, tax-exempt City Note A in an amount that will provide for City Note A Net Proceeds (after provisions for capitalized interest and debt service reserve fund.) of \$4,903,525; and (iii) if necessary, issue taxable City Note B in principal amount equal to the difference, if any, between \$4,903,525 and the City Note A Net Proceeds.

In addition, the City may, in its discretion, issue tax increment allocation bonds (“**TIF Bonds**”) secured by Incremental Taxes (as defined below) as provided in a TIF bond ordinance (the “**TIF Bond Ordinance**”), at a later date as described and conditioned in Section 4.09. The proceeds of the TIF Bonds (the “**TIF Bond Proceeds**”) may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT:

ARTICLE ONE: INCORPORATION OF RECITALS

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement.

ARTICLE TWO: DEFINITIONS

The definitions stated in Schedule A and those definitions stated in the recitals and preamble are hereby incorporated into this Agreement by reference and made a part of this Agreement.

ARTICLE THREE: THE PROJECT

3.01 **The Project.** (a) Developer has completed the Phase 1a Infrastructure Improvements and the Phase 1b Completed Work. (b) Developer will: (i) begin redevelopment construction of the Phase 1b New Work no later than July 1, 2013, and (ii) complete redevelopment construction of the Phase 1b New Work no later than October 31, 2014, subject to: (x) Section 18.17 (Force Majeure); (y) applicable Change Orders, if any, issued under Section 3.04; and (z) the receipt of all applicable permits and Project approvals.

3.02 **Scope Drawings and Plans and Specifications.** Developer has delivered the Scope Drawings and Plans and Specifications to HED, and HED has approved them. Subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to HED as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and to all applicable Federal, State and local laws, ordinances and regulations. Developer will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 **Project Budget.** Developer has furnished to HED, and HED has approved, a Project Budget which is Exhibit D-1, showing total costs for the Project in an amount estimated to be \$45,827,622 which includes anticipated costs for the Phase 1b New Work of (\$19,003,525) (the "Phase 1b New Work Budget"). Developer hereby certifies to the City that: (a) it has Lender Financing and/or Equity in an aggregate amount which, together with the City Funds, is sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer will promptly deliver to HED copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

3.04 **Change Orders.**

(a) Except as provided in subparagraph (b) below, 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 HED concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Developer to HED for HED's prior written approval: (i) a reduction by more than five percent (5%) in the square footage of the Project from the square footage approved by HED under Section 3.02, or (ii) a change in the primary use of the Phase 1b New Work, or (iii) a delay in the commencement date or the completion date of the Phase 1b New Work of more than six (6) months, provided Developer notifies HED in writing and the reason therefor, or (iv) change orders resulting in an aggregate increase to the Project Budget of 10% or more. Developer will not authorize or permit the performance of any work relating to any Change Order requiring HED's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Developer of HED's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor,

will contain a provision to this effect or for compliance with this Agreement generally. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Developer.

(b) Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those stated in subsection (a) above do not require HED's prior written approval as stated in this Section 3.04, but HED must be notified in writing of all such Change Orders within 10 Business Days after the execution of such change order, and Developer, in connection with such notice, must identify to HED the source of funding therefor in the progress reports described in Section 3.07.

3.05 **HED Approval.** Any approval granted by HED under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval, nor does any such approval by HED under this Agreement constitute approval of the utility, quality, structural soundness, safety, habitability, merchantability or investment quality of the Project. Developer will not make any verbal or written representation to anyone to the contrary. Developer shall not undertake construction of the Project unless Developer has obtained all necessary permits and approvals (including but not limited to HED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required under this Agreement.

3.06 **Other Approvals.** Any HED approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

3.07 **Progress Reports and Survey Updates.** After the Closing Date, on or before the 15th day of each reporting month, Developer will provide HED with written quarterly construction progress reports detailing the status of the Phase 1b New Work, including a revised completion date, if necessary (with any delay in the commencement or completion date of more than six (6) months being considered a Change Order, requiring HED's written approval under Section 3.04). Developer must also deliver to the City written monthly progress reports detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) (collectively, the "**City Requirements**"). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to HED to address and cure such shortfall.

3.08 **Inspecting Agent or Architect.** An independent agent or architect, (other than Developer's architect), shall be selected by Developer and approved by HED to act as the inspecting agent or architect for HED for the Phase 1b New Work, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Developer's account and will be promptly paid by Developer. The inspecting agent or architect

shall perform periodic inspections with respect to the Phase 1b New Work providing recommendations with respect thereto to HED, prior to requests for disbursement for costs related to the Phase 1b New Work.

3.09 **Barricades.** Prior to commencing any construction requiring barricades, Developer will install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. HED retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of Developer or the Project).

3.10 **Signs and Public Relations.** If requested by HED, Developer will erect in a conspicuous location on the Property during construction of the Phase 1b New Work a sign of size and style approved by the City, 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 any other pertinent information regarding Developer and the Project in the City's promotional literature and communications.

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

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

3.13 **Accessibility for Disabled Persons.** Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner which promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and improvements on the Property will be reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

3.14 **Additional Project Features**

(a) **Landscaping.** Developer will perform all landscaping work required by PD1167.

(b) **Green Construction.** All construction of the Project, including but not limited to building construction, green space and surface parking, if any, shall be built in accordance with the "green construction" standards of applicable HED policies as incorporated in and required by PD 1167. Developer will submit written evidence demonstrating compliance with such requirements.

ARTICLE FOUR: FINANCING

4.01 Total Project Cost and Sources of Funds.

(a) The cost of the Project is estimated to be \$45,827,622 to be applied in the manner stated in the Project Budget. Such costs will be funded from the following sources when all anticipated Project financing has been completed:

A.	Lender Financing/Grant Financing	
	1. Existing New Markets	
	Tax Credit Loans	\$ 22,200,000
	2. DCEO Grant	4,624,097
	Total Lender/Grant Financing	\$ 26,854,097
B.	Developer Equity (subject to <u>Section 4.08</u>)	\$ 8,000,000
C.	City Funds (as defined below)	
	1. Cash Payment to Developer at Closing Date for deposit in the Construction Escrow	\$ 6,100,000(2)
	2. City Notes	
	a. City Note A Net Proceeds to Construction Escrow	\$ 4,903,525(1)(2)(3)
	b. City Note B at Note Sale Date for a shortfall in City Note A Proceeds	TBD(1).
	Total City Funds	\$ 11,003,525

NOTES:

(1) City Note A will be issued to Chicago Neighborhood Initiatives on the Note Sale Date. Chicago Neighborhood Initiatives anticipates selling City Note A to an investor group in a transaction on the Note Sale Date for a targeted City Note A Net Proceeds of not less than \$4,903,525. If there is a proceeds shortfall, then City Note B will be issued by the City in the shortfall amount, after City Note A has been sold. For informational purposes in this Agreement, City Note B has been assigned a “**bracketed**” nominal value of \$1,000,000, to be adjusted if and when City Note B is issued. City Note A will be a tax-exempt note and will have payment priority over City Note B. City Note B will be a taxable note. If issued, City Note B will be subject to the following limits as applicable: \$1,000,000; or the maximum amount that can be supported for City Note B as stated in the final underwriting of the increment as reported in the feasibility report issued for the sale of City Note A; or the difference between \$4,903,525 and the

City Note A Net Proceeds. Further, the face amount of City Note A plus the face amount of City Note B cannot exceed \$8,016,029.

(2) Construction Escrow. At Closing, Developer will enter into an escrow agreement with the, HED and the Title Company as provided in Section 4.04, creating the **“Construction Escrow”**. The \$6,100,000 cash payment to Developer on the Closing Date and the City Note A Net Proceeds will each be deposited into the Construction Escrow.

(3) Reserve Escrow and Capitalized Interest. Upon the sale of City Note A, the City and Developer will deposit or cause to be deposited 10% of the par amount of City Note A into an escrow account (the **“Reserve Escrow”**) held by a financial institution selected by the Developer and acceptable to the City (the **“Bank Trustee”**). The Reserve Escrow will be available to cure payment shortfalls in the event there are insufficient Available Incremental Taxes to make any scheduled payment for City Note A, as provided in Section 4.03(d). In addition, the City and Developer shall cause to be deposited from proceeds of City Note A an amount equal to the interest to accrue on City Note A through March 1, 2015 (the **“Capitalized Interest”**) in an account maintained with the Bank Trustee (the **“Capitalized Interest Account”**). Amounts on deposit in the Capitalized Interest Account shall be used to pay first interest coming due on City Note A.

(b) Completed Work. Developer has already incurred and paid for the costs of the Acquisition, the Phase 1a Infrastructure Improvements and the Phase 1b Completed Work using the Lender Financing sources scheduled above. The \$6,100,000 cash payment to Developer on the Closing Date is intended to reimburse Developer for a portion of the costs of the Phase 1a Infrastructure Improvements, consisting of costs for public improvements eligible for reimbursement under the Act. The City is willing to reimburse Developer for a portion of the costs of the Phase 1a Infrastructure Improvements. Developer is undertaking the obligations under this Agreement to construct the Phase 1b New Work and agrees that the \$6,100,000 cash payment will be used to pay for the costs of the Phase 1b New Work.

(c) New Work. The costs of the Phase 1b New Work are estimated to be \$19,003,525 to be paid for from the Equity and City Funds scheduled above.

4.02 Developer Funds. Equity, Lender Financing, and City Funds will be used to pay all Project costs, including, but not limited to Redevelopment Project Costs and costs of TIF-Funded Improvements. The \$6,100,000 cash payment to reimburse Developer for a portion of the costs of the Phase 1a Infrastructure Improvements may thereafter be used to pay for any costs of the Phase 1b New Work.

4.03 City Funds.

(a) Uses of City Funds.

(i) Any principal or interest paid under the City Notes, and any other funds expended by the City under this Agreement or otherwise related to the Project or to the TIF-Funded Improvements are defined as "City Funds".

(ii) City Funds may be used to pay for or reimburse Developer only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit E states, by line item, the TIF-Funded Improvements for the Project contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such costs and their respective eligibility as a Redevelopment Project Cost. With the exception of the \$6,100,000 payment to be made as provided in Section 4/03(c) below, reimbursement to Developer of costs through City Funds will be in the form of cash payments to Developer from the Construction Escrow. Amounts on deposit in the Capitalized Interest Account may be expended by the Bank Trustee to pay interest owed on City Note A without any further direction from the City.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Article Five, the City hereby agrees to: (i) pay \$6,100,000 in cash to Developer on the Closing Date; and (ii) issue City Note A to Chicago Neighborhood Initiatives on the Note Sale Date; and (iii) issue City Note B to Chicago Neighborhood Initiatives on the Note Sale Date; in such amount which will allow for an aggregate net proceeds (after deducting proceeds or deposits to any required debt service reserve fund and capitalized interest) to Chicago Neighborhood Initiatives of \$4,903,525 on the Note Sale Date. Any payments under the City Notes are subject to the amount of Available Incremental Taxes and Incremental Taxes for the Redevelopment Area, as applicable, being sufficient for such payments.

(c) \$6.1 Million Payment. The City hereby agrees to port funds from one or more of the adjacent redevelopment project areas which are contiguous to or only separated by the public way from the North Pullman Redevelopment Area in a total amount of \$6,100,000. The City will pay such amount to Developer on the Closing Date. This payment shall be made as reimbursement to Developer for a portion of the costs of the Phase 1a Infrastructure Improvements already incurred by Developer. Developer may assign, transfer and quit-claim its right to receive all or a portion of such payment to Chicago Neighborhood Initiatives, and direct that the City pay such funds (or portion thereof) directly to Chicago Neighborhood Initiatives. Developer hereby agrees to deposit the \$6,100,000 payment, whether paid to Developer or Chicago Neighborhood Initiatives, into the Construction Escrow or to instruct the City to directly deposit the payment

into the Construction Escrow for Developer's account. Funds on deposit in the Construction Escrow will be used to pay for or reimburse Developer for the costs of TIF-Funded Improvements as provided in the Escrow Agreement. The Escrow Agreement shall provide that the \$6,100,000 payment shall be disbursed from the Construction Escrow to pay for costs of the Phase 1b New Work as such costs are incurred, subject only to Developer's certification of not less than \$6,100,000 of Phase 1a Infrastructure Improvements costs to the City and the City's approval of such costs.

- (d) Issuance of City Note A. On the Note Sale Date, the City will issue City Note A to Chicago Neighborhood Initiatives with the following terms and conditions:
- (i) Principal. Chicago Neighborhood Initiatives intends to sell City Note A in a transaction on the Note Sale Date at a purchase price equal to the principal amount of City Note A. Proceeds in the amount of the City Note A Net Proceeds, up to \$4,903,525 shall be deposited in the Construction Escrow, with any remaining City Note A Net Proceeds, if any, to be deposited in the Reserve Escrow or Capitalized Interest Account. The gross amount of City Note A is presently estimated to be \$6,750,000.
- (ii) Interest. When issued, the interest rate for City Note A will be set as follows: On the date of issuance of City Note A, the interest rate will be equal to the 20 year BAA Uninsured G.O. Bond Index as published by Thompson-Reuters Municipal Market Data ("MMD") in effect on the date of issuance, plus a margin of 250 basis points (the "**City Note A Interest Rate**"), but in no event will such interest rate be greater than 8.5%. Interest on City Note A will compound annually.
- (iii) Term. City Note A will be issued on the Note Sale Date and will have a maturity of 20 years after the Note Sale Date.
- (iv) Payments of Principal and Interest.
- (A) Interest on City Note A will begin to accrue at the date of issuance. Amortization of principal will be over the term of City Note A as provided in the debt service schedule attached to City Note A. Payments will be made annually on March 1st of each year, beginning in 2014.
- (B) Except as may be otherwise provided in this Agreement, Available Incremental Taxes only will be used to pay the principal of and interest on City Note A and on unpaid interest, if any. In the ordinance authorizing the issuance of City Note A the City will establish an account denominated the: "Pullman Park Development/Chicago Neighborhood Initiatives Debt Service

Account" within the North Pullman Redevelopment Project Area Special Tax Allocation Fund. All Available Incremental Taxes will be deposited into the Pullman Park Development/Chicago Neighborhood Initiatives Debt Service Account.

- (C) Payments of principal and interest on City Note A and City Note B (if issued) will be made from Available Incremental Taxes deposited into the Pullman Park Development / Chicago Neighborhood Initiatives Debt Service Account as follows:
 - (I) First to interest due under City Note A;
 - (II) Next to scheduled principal payments on City Note A;
 - (III) Next to interest due under City Note B (if issued);
 - (IV) Next to payment of principal on City Note B (if issued);
- (D) After the principal and interest on City Note A and City Note B have been paid in full, and each City Note canceled according to its terms, then the Pullman Park Development/Chicago Neighborhood Initiatives Inc. Debt Service Account will be closed and all subsequent Available Incremental Taxes will be deposited by the City in the North Pullman Redevelopment Project Area Special Tax Allocation Fund.
- (v) Insufficient Available Incremental Taxes. If the amount of Available Incremental Taxes pledged under this Agreement is insufficient to make any scheduled payment on City Note A, then: (1) the City will not be in default under this Agreement or City Note A, provided that, to the extent available, the City shall draw on the Reserve Escrow to make up any shortfall, and (2) due but unpaid scheduled payments (or portions thereof) on City Note A will be paid as provided in this Section 4.03 and, if necessary, the Reserve Escrow will be replenished, promptly as funds become available for their payment. Interest per annum at the rate set when the City Note A is issued will accrue on any principal or interest payments which are unpaid because of insufficient Available Incremental Taxes.
- (vi) Prepayment of the City Note A by the City and Related Lock Out Period. The City may prepay the City Note A in whole or in part at any time without premium or penalty, subject to the following conditions:

- (A) City Note A Lock-Out Period. The City will not prepay City Note A for a 5-year (60 month) period beginning with the first whole month after the date of issuance of City Note A, (the "**City Note A Lock-Out Period**"), unless the City Note A Lock-Out Period restriction is formally waived by the City Note A registered holder(s).
- (B) City May Prepay. Upon expiration or formal waiver of the City Note A Lock-Out Period, the City may prepay the then current balance of City Note A without any restrictions or conditions, together with any accrued interest.
- (vii) Sale or Transfer of the City Note A. After the issuance of the City Note A to Chicago Neighborhood Initiatives, City Note A, may be sold or assigned in a Qualified Transfer of City Note A.
- (viii) No Cessation of City Note A Payments. Notwithstanding anything to the contrary contained in this Agreement, after a Qualified Transfer of City Note A in compliance with Section 4.03(d)(vii) above, if an Event of Default occurs, the City will, notwithstanding such Event of Default, continue to make payments with respect to the City Note A.
- (ix) Costs of Issuance of City Note A. Developer will be responsible for paying all legal and issuance costs in relation to City Note A, including all costs of bond counsel.
- (e) Issuance of City Note B. In the event City Note A Net Proceeds to be deposited into the Construction Escrow are less than \$4,903,525 in the contemporaneous sale or transfer transaction anticipated by Developer for City Note A, then the City will issue City Note B to Chicago Neighborhood Initiatives on the Note Sale Date. If the City issues City Note B, such issuance will be subject to the following terms and conditions:
- (i) (i) Principal. The principal amount for City Note B will be the difference between the City Note A Net Proceeds to Developer and \$4,903,525. For informational purposes in this Agreement, City Note B has been assigned a "**bracketed**", nominal value of \$1,000,000, to be adjusted if and when City Note B is issued. If issued, City Note B will be subject to the following limits as applicable: (i) per value not to exceed \$1,000,000; (ii) the maximum amount that can be support for City Note B as stated in the final underwriting of the increment as reported in the feasibility report issued for the sale of City Note A; (iii) the difference between \$4,903,525 and the City Note A Net Proceeds; and (iv) the face

amount of City Note A plus the face amount of City Note B can not exceed \$8,016,029.

- (ii) Interest. If and when issued, the interest rate for City Note B will be set as follows: On the date of issuance of City Note B, the interest rate will be equal to the 20-year BBB Corporate bond index as published by Bloomberg in effect on the date of issuance, plus a margin of 200 basis points (the "**City Note B Interest Rate**"), but in no event will such interest rate be greater than 8.5%. Interest on City Note B will compound annually.
- (iii) Term. If issued, City Note B will be issued on or after the Note Sale Date and will have a term of up to 20 years.
- (iv) Payments of Principal and Interest.
 - (A) Interest on the City Note B will begin to accrue at the date of issuance. Amortization of principal will be over the term of up to 20 years as excess Available Incremental Taxes are generated on an annual basis. Payments of debt service will be made annually on March 1st commencing 2014.
 - (B) Except as may be otherwise provided in this Agreement, Available Incremental Taxes only will be used to pay the principal of and interest on City Note B and on unpaid interest, if any. In the ordinance authorizing the issuance of the City Note B, the City will establish an account denominated the: "Pullman Park Development/Chicago Neighborhood Initiatives Debt Service Account" within the North Pullman Redevelopment Project Area Special Tax Allocation Fund. All Available Incremental Taxes will be deposited into the "Pullman Park Development/Chicago Neighborhood Initiatives Debt Service Account."
 - (C) Payments of principal and interest on City Note B and City Note A will be made from Available Incremental Taxes deposited into the Pullman Park Development/Chicago Neighborhood Initiatives Debt Service Account as follows:
 - (I) First to interest due under City Note A;
 - (II) Next to scheduled principal payments on City Note A;
 - (III) Next to interest due under City Note B (if issued);
 - (IV) Next to payment of principal of City Note B (if issued).

- (D) After the principal and interest on City Note A Note and City Note B have been paid in full and each Note canceled according to its terms, then the Pullman Park Development/Chicago Neighborhood Initiatives Debt Service Account will be closed and all subsequent Available Incremental Taxes will be deposited by the City in the North Pullman Redevelopment Project Area Special Tax Allocation Fund.
- (v) Insufficient Available Incremental Taxes. If the amount of Available Incremental Taxes pledged under this Agreement is insufficient to make any scheduled payment on City Note B, then: (1) the City will not be in default under this Agreement or City Note B, and (2) due but unpaid scheduled payments (or portions thereof) on City Note B will be paid as provided in this Section 4.03 as promptly as funds become available for their payment. Interest per annum at the rate set when City Note B is issued will accrue on any principal or interest payments which are unpaid because of insufficient Available Incremental Taxes.
- (vi) Prepayment. City Note B may be prepaid at any time without premium or penalty.
- (vii) Sale or Transfer of City Note B. After the issuance of the City Note B, City Note B may be sold or assigned in a Qualified Transfer of City Note B. Thereafter, City Note B may again be sold in a Qualified Transfer of City Note B.
- (viii) Cessation of City Note B Payments. If an Event of Default occurs, the City will have no further obligations to make any payments with respect to City Note B and the City will have the remedies stated in Sections 7.03 and 15.02.
- (ix) Costs of Issuance of City Note B Developer will be responsible for paying for all legal and issuance costs in relations to City Note B, including all costs of bond counsel, if any.

4.04 Construction Escrow; City Funds Requisition Form; Reserve Escrow.

(a) The City, Developer, and the Title Company shall enter into the Escrow Agreement, substantially in the form of Exhibit F-1 creating the Construction Escrow. The Construction Escrow will include a “**Developer’s Subaccount**” and a “**City Note Proceeds Subaccount**”. Equity not expended as of the date of this Agreement shall be deposited into the Developer’s Subaccount or the existing escrow referenced in the Escrow Agreement which is Exhibit F-1. Developer shall deposit the City Note A Net Proceeds into the City Note Proceeds Subaccount. Funds on deposit in the Developer’s Subaccount and such existing escrow may be

disbursed to pay for the costs of the Phase 1b New Work. Funds on deposit in the City Note Proceeds Subaccount will be used to pay for or reimburse Developer for the costs of TIF-Funded Improvements associated with the Phase 1b New Work. Disbursements of funds from the City Note Proceeds Subaccount shall be made through the funding of draw requests upon the approval of a City Funds Requisition Form (Exhibit N) submitted by Developer under the terms of the Escrow Agreement and this Agreement. In the event of any conflict between the terms of this Agreement and the terms of the Escrow Agreement concerning the Project (including the dispersal of funds for the Phase 1b New Work through the Escrow), the terms of this Agreement shall control.

(b) The City shall enter into the Reserve Escrow with a financial institution selected by Developer and acceptable to the City under which there shall be created two separate accounts: A Debt Service Reserve Fund and a Capitalized Interest Fund (each as defined in such agreement). There shall be deposited into the Debt Service Reserve Fund proceeds from the sale of City Note A in an amount necessary to fund any required reserve for City Note A in an amount not in excess of 10% of the principal amount of City Note A. There shall be deposited into the Capitalized Interest Fund an amount equal to the Capitalized Interest. Amounts on deposit in the Reserve Escrow shall be available to pay debt service owed on City Note A in the event there are insufficient Available Incremental Taxes to pay such debt service and shall be replenished upon receipt of Available Incremental Taxes after payment of debt service owed on City Note A.

4.05 **Profit From Sale.** Chicago Neighborhood Initiatives agrees that it will re-invest its share of the profits, if any, from the sale of all or any part of the Project, into the Project or a future phase of the Project or PD 1167 within one year of the distribution of any such profits. For purposes of this Section 4.05, the term "profit" shall mean any proceeds paid to Chicago Neighborhood Initiatives from the sale of the Phase 1b Retail Project after payment of all of the following: (i) all loans encumbering the Property, including without limitation, loans by MBS UI Sub CDE XVI, LLC, in the aggregate amount of \$11,760,000, and RBC Community Development Sub 3, LLC, in the aggregate amount of \$14,500,000; (ii) funding any reserves which Developer deems commercially reasonably necessary for any contingent or unforeseen liabilities or obligations of Developer; (iii) any "Operating Deficit Loans" and "Development Loans" advanced by either of Pullman Park Development's limited liability company members; and (iv) the return of all private capital invested by Chicago Neighborhood Initiatives. For purposes of this Section 4.05 the term "sale" shall mean a transfer of real estate to an unaffiliated entity, and does not include a refinance of loans encumbering the Property or a sale or transfer of a member interest in Pullman park Development.

4.06 **Junior Mortgage.** If the City so requires, Developer shall deliver a Junior Mortgage to the City substantially in the form of Exhibit K, together with such financing statements as the City may require. At any time after the issuance of the Certificate of Completion, following a request by Developer, the City agrees to a release of the Junior Mortgage and consents to the recording of such release. The Junior Mortgage shall be subordinate to all Lender Financing.

4.07 **Treatment of Prior Expenditures.** Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing, if any, hereunder (the “**Prior Expenditure(s)**”). HED has the right, in its sole discretion, to disallow any such expenditure (not listed on Exhibit H) as a Prior Expenditure as of the date of this Agreement. Exhibit H identifies the prior expenditures approved by HED as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements will not be reimbursed to Developer, but will reduce the amount of Equity and/or Lender Financing, if any, required to be contributed by Developer under Section 4.01.

4.08 **Cost Overruns.** If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available under Section 4.03, Developer will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project in excess of the Project Budget.

4.09 **TIF Bonds.** The Commissioner of HED may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The proceeds of TIF Bonds may be used to pay City Funds due under this Agreement and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne solely by the City. Developer will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05.

4.10 **Preconditions of Disbursement.** Developer has submitted documentation satisfactory to HED regarding the expenditures made with respect to the Phase 1a Infrastructure Improvements. Prior to the disbursement of City Funds from the City Note Proceeds Subaccount, Developer shall submit documentation regarding the applicable expenditures to HED, which shall be satisfactory to HED in its sole discretion. Delivery by Developer to HED of any request for disbursement of City Funds from the City Note Proceeds Subaccount, hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

- (a) the representations and warranties contained in this Agreement are true and correct and Developer is in compliance with all covenants contained herein;
- (b) Developer has received no notice and has no knowledge of any lien or claim of lien either filed or threatened against the Property or the Phase 1b New Work except for the Permitted Liens;
- (c) no Event of Default or condition or event which, with the giving of notice or passage time or both, would constitute an Event of Default exists or has occurred;

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. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including not limited to the requirements set forth in the Bond Ordinance, if any; the TIF Bond Ordinance, if any; the Bonds, if any; the TIF Bonds, if any; the TIF Ordinances and this Agreement.

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

ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING

The following conditions precedent to closing must be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

5.01 **Project Budget.** Developer will have submitted to HED, and HED will have approved, the Project Budget stated in Exhibit D-1, in accordance with the provisions of Section 3.03. This condition precedent has been satisfied prior to the date hereof.

5.02 **Scope Drawings and Plans and Specifications.** Developer will have submitted to HED, and HED will have approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02. This condition precedent has been satisfied prior to the date hereof.

5.03 **Other Governmental Approvals.** Not less than 5 Business Days prior to the Closing Date, Developer will have secured or applied for or provided HED with an application time schedule for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to HED.

5.04 **Financing.**

(a) Developer will have furnished evidence acceptable to the City that Developer has Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient

(along with the Equity and other financing sources, if any, stated in Section 4.01) to complete the Project.

(b) Prior to the Closing Date, Developer will deliver to HED a copy of the construction escrow agreement, if any, entered into by Developer regarding Developer's Lender Financing, if any. Such construction escrow agreement must provide that the City will receive copies of all construction draw request materials submitted by Developer after the date of this Agreement.

(c) Any financing liens against the Property or the Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in this Agreement under a subordination agreement, in the form of Exhibit O, or such other form as may be acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, in the Office of the Recorder of Deeds of Cook County.

5.05 **Title.** On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Property, showing Pullman Park Development as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit I and will evidence the recording of this Agreement under the provisions of Section 8.15. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding location, access, and survey. On or prior to the Closing Date, Developer will provide to HED documentation related to the Property and copies of all easements and encumbrances of record with respect to the Property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer, at its own expense, will have provided the City with current searches under Developer's name as follows:

Secretary of State (IL)	UCC search
Secretary of State (IL)	Federal tax lien search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax lien search
Cook County Recorder	State tax lien search
Cook County Recorder	Memoranda of judgments search
U.S. District Court (N.D. IL)	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 **Surveys.** If requested by HED, not less than 5 Business Days prior to the Closing Date, Developer will have furnished the City with 3 copies of the Survey.

5.08 **Insurance.** Developer, at its own expense, will have insured the Property as required under Article Twelve. At least 5 Business Days prior to the Closing Date, certificates required under Article Twelve evidencing the required coverages will have been delivered to HED.

5.09 **Opinion of Developer's Counsel.** On the Closing Date, Developer will furnish the City with an opinion of counsel, substantially in the form of Exhibit J, with such changes as may be required by or acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions stated in Exhibit J, such opinions shall be obtained by Developer from its general corporate counsel.

5.10 **Evidence of Prior Expenditures.** Prior to the Closing Date, Developer will have provided evidence satisfactory to HED of the Prior Expenditures as provided in Section 4.05. Such evidence of Prior Expenditures may be updated to the Closing Date by Developer.

5.11 **Financial Statements.** Prior to the Closing Date, Developer will have provided Financial Statements to HED for its 2009 and 2010 fiscal years, if available, and its most recently publicly available unaudited interim Financial Statements, in each case together with any opinions and management letters prepared by auditors.

5.12 **Additional Documentation.** Prior to the Closing Date, Developer will have provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment profile, if requested by HED, and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds on the Property, if any.

5.13 **Environmental Reports.** Prior to the Closing Date, Developer will provide HED with copies of all environmental reports or audits, if any, obtained by Developer with respect to the Property, together with any notices addressed to Developer from any agency regarding environmental issues at the Property. Prior to the Closing Date, Developer will have provided the City with a letter from the environmental engineer(s) who completed such report(s) or audit(s), authorizing the City to rely on such report(s) or audit(s).

5.14 **Entity Documents; Economic Disclosure Statement.**

(a) **Entity Documents.** Developer will provide a copy of its current Articles of Organization, with all amendments, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of Illinois and all other states, if any, in which Developer is registered to do business; its limited liability company operating agreement; a roster of limited liability company members showing their respective membership interests; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other organizational documentation as the City may request.

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

5.15 Litigation. Each of Pullman Park Development and Chicago Neighborhood Initiatives has provided to Corporation Counsel and HED in writing, a description of all pending or threatened litigation or administrative proceedings: (a) involving their respective property located in the City, (b) that each is otherwise required to publicly disclose or that may affect the ability of each entity to perform its duties and obligations under this Agreement, or (c) involving the City or involving the payment of franchise, income, sales or other taxes by each entity to the State of Illinois or the City. In each case, the description shall specify the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance.

ARTICLE SIX: AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors.

(a) HED acknowledges that Developer has constructed the Phase 1a Infrastructure Improvements and the Phase 1b Completed Work under a construction contract entered into prior to the date of this Agreement. HED acknowledges that Developer has selected Raffin Construction Company, as the general contractor (the "**General Contractor**") for the Phase 1b New Work. Developer must solicit, or must cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City.

(b) For the TIF-Funded Improvements, Developer must cause the General Contractor to select the subcontractor submitting the lowest responsible and responsive bid as determined by Developer who can complete the Project (or phase thereof) in a timely and good and workmanlike manner; provided, however, that Developer may consider a bidder's ability to meet the unique challenges of the Project in evaluating the "lowest responsible bid" rather than the lowest bid. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds.

(c) Developer must submit copies of the Construction Contract to HED as required under Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements must be provided to HED within 20 Business Days of the execution thereof. Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by HED and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, Developer must deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to work on the TIF-Funded Improvements under Section 6.01 above, for HED's prior written approval. Within 10 Business Days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer must deliver to HED and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any work in the public way, if any, Developer will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better using the form of payment and performance bond form attached as Exhibit L. The City will be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. Developer will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten. The parties acknowledge that the contracting, hiring and testing requirements for the MBE/WBE and City Residency obligations in Article Ten are applied by the City's monitoring staff on an aggregate basis, and that it shall not be an event of default under this Agreement, nor shall the payment of the City resident hiring shortfall amount be required, if the General Contractor does not impose such obligations on each subcontractor, or if any one subcontractor does not satisfy such obligations, so long as such obligations are satisfied on an aggregate basis.

6.05 Other Provisions. In addition to the requirements of this Article Six, the Construction Contract and each contract with any subcontractor working on the Project must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (Developer's MBE/WBE Commitment), Article Twelve (Insurance) and Section 14.01 (Books and Records).

ARTICLE SEVEN: COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request, HED will issue to Developer a certificate of completion of

construction in recordable form (the “**Certificate of Completion**”) certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement, provided the following conditions have been met:

(a) issuance of a certificate of occupancy by the City, not to be unreasonably withheld, or other evidence acceptable to HED, that Developer has complied with building permit requirements for the 67,000 square feet of retail space constructed as part of the Phase 1b New Work; and

(b) evidence that at least 75% of the net rentable area of the Phase 1b Retail Project has been leased and is occupied for at least one Business Day.

HED will respond to Developer’s written request for a Certificate of Completion within 30 days by issuing either a Certificate of Completion 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 of Completion. Developer may resubmit a written request for a Certificate of Completion upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate of Completion.

7.02 Effect of Issuance of Certificate of Completion; Continuing Obligations.

(a) The Certificate of Completion relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer’s obligation to complete such activities have been satisfied. After the issuance of a Certificate of Completion, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate of Completion must not be construed as a waiver by the City of any of its rights and remedies under such executory terms.

(b) Those covenants specifically described at Section 8.16 (Real Estate Taxes) as covenants that run with the land comprising the Property are the only covenants in this Agreement intended to be binding throughout the Term of the Agreement upon any transferee of the Developer holding title to the Property or any portion thereof, regardless of whether or to what extent that owner is also an assignee of Developer as described in this paragraph and regardless of whether or not a Certificate of Completion has been issued. Unless a Certificate of Completion has been issued, those covenants specifically described at Section 8.02 (Covenant to Redevelop) as covenants that run with the land comprising the Property are the only other covenants in this Agreement intended to be binding throughout the Term of the Agreement upon any transferee of the Developer holding title to the Property or any portion thereof, regardless of whether or to what extent that owner is also an assignee of Developer as described in this paragraph. The other executory terms of this Agreement that remain after the issuance of a Certificate of Completion will be binding only upon Developer or a permitted assignee of

Developer who, as provided in Section 18.15 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 **Failure to Complete.** If Developer fails to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies, in addition to those stated in Section 15.02.

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed under this Agreement, other than principal and interest due under City Note A; and

(b) the right to redeem City Note A from amounts on deposit in the City Note Proceeds Subaccount of the Construction Escrow; and

(c) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of the payment and performance bond form attached as Exhibit L, and, if such funds are insufficient, then from City Funds or other City monies. If the aggregate costs incurred by the City to complete the TIF-Funded Improvements exceeds the amount of funds described in the preceding sentence, Developer will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of those funds.

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

ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.

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

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

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

(c) the execution, delivery and performance by Pullman Park Development of this Agreement has been duly authorized by all necessary limited liability company action, and does not and will not violate its Articles of Organization as amended and supplemented, its operating

agreement, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Pullman Park Development is now a party or by which Pullman Park Development or any of its assets is now or may become bound;

(d) Pullman Park Development has acquired and, subject to the right to sell, transfer, convey, lease or otherwise dispose of the outlots and tenant spaces, as set forth in Section 8.01(n) below. will maintain good, indefeasible and merchantable fee simple title to the Property (and improvements located thereon) free and clear of all liens (except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget, and those liens otherwise bonded or insured over in accordance with the terms of this Agreement).

(e) Pullman Park Development is now, and for the Term of the Agreement, will remain solvent and able to pay its debts as they mature;

(f) Chicago Neighborhood Initiatives is an Illinois not-for-profit corporation, duly organized, validly existing, qualified to do business in Illinois, and licensed in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(g) Chicago Neighborhood Initiatives has the right, power and authority to enter into, execute, deliver and perform this Agreement;

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

(i) Chicago Neighborhood Initiatives is now, and for the Term of the Agreement, will remain solvent and able to pay its debts as they mature;

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

(k) Developer has or, as and when required, will obtain and maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to construct and complete the Project;

(l) 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 or any of its assets is bound beyond applicable notice and cure periods;

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

(n) prior to the issuance of a Certificate of Completion, if it would adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business, including the sale, transfer, conveyance, lease or other disposition of retail outlots and tenant spaces; (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 to the extent that such action would have an adverse effect on Developer's ability to perform its obligations under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition. Provided, however, that the foregoing shall not apply to the transfer of an ownership interest that is the result of a merger, consolidation or sale of all or substantially all of the assets of, or any other transaction by, U.S. Bank National Association, a national banking association ("USB"), and such merger, consolidation, sale or other transaction also results in the simultaneous transfer (directly or indirectly) of all of USB's (or its affiliates') ownership interests in North Pullman 111th, Inc., an Illinois corporation, to the same entity to which USB's ownership interest in Developer is being transferred. Notwithstanding the foregoing provisions set forth in this Section 8.01(n), prior to the issuance of a Certificate of Completion, Pullman Park Development or either of Pullman Park Development's members may assign their interests in Pullman Park Development, the Property or the Project to one or more entities that are at least fifty percent (50%) owned and controlled (directly or indirectly) by one of the two current Members of Pullman Park Development as of the date hereof or by a lender, so long as each of the following conditions are satisfied:

(i) no fewer than thirty (30) days prior to such assignment, the assigning entity provides the City with written notice of such assignment, together with an EDS, in the City's then current form, dated as of the date of such notice and any other affidavits or certifications as may be required by Federal, State or local law in the award of public contracts executed by each proposed assignee (plus such supplemental EDSs, affidavits and certifications as are required for entities that will own or control the assignee);

(ii) neither the assignee nor any entity or individual that owns or controls the assignee is then ineligible to do business with the City under Chapter 1-23 of the Municipal Code;

(iii) the assignee assumes the obligations and liabilities of the assigning entity under this Agreement in a written instrument; and

(iv) the assigning entity or assignee delivers written notice to the City with a correct and complete copy of the written instrument pursuant to which the assignment and assumption was accomplished;

(o) Developer has not incurred and, prior to the issuance of a Certificate of Completion, will not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the Property other than the Permitted Liens; or incur any indebtedness secured or to be secured by the Property or the Project or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

(p) Developer 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 under City ordinance, for services to any City agency (“City Contract”) as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended; and

(q) neither Developer nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons Lists, the Unverified List, the Entity List and the Debarred List.

8.02 Covenant to Redevelop. Upon HED’s approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3.02 and 3.03, and Developer’s receipt of all required building permits and governmental approvals, Developer will redevelop the Property and the Project in compliance with this Agreement and all exhibits attached hereto, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Property, the Project and/or Developer. The covenants set forth in this Section 8.02 will run with the land comprising the Property (as defined herein) and will be binding upon any transferee, until fulfilled as evidenced by the issuance of a Certificate of Completion.

8.03 Redevelopment Plan. Developer represents that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement.

8.04 Use of City Funds. City Funds disbursed to Developer will be used by Developer solely to reimburse Developer for its payment for the TIF-Funded Improvements as provided in this Agreement. It is the understanding of the parties that, following the City’s payment of \$6,100,000 to Developer as provided in Section 4.03(b) as reimbursement for previously incurred Phase 1a Infrastructure Improvements, such funds may be used by Developer to pay for any costs of the Phase 1b New Work.

8.05 **Other Bonds.** At the request of the City, Developer will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) any Bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with or provided a source of funds for the payment for the TIF-Funded Improvements (the “**Bonds**”); provided, however, that any such amendments will not have a material adverse effect on Developer or the Project. Developer will, at Developer’s expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition (but not including proprietary sales and operating information), and assisting the City in its preparation of an offering statement with respect thereto. Developer will not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading.

8.06 **Employment Opportunity.**

(a) Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 (Prevailing Wage) and Article Ten (Developer’s Employment Obligations). Developer will submit a plan to HED describing its compliance program prior to the Closing Date.

(b) Developer will deliver to the City written monthly progress reports detailing compliance with the requirements of Sections 8.08, (Prevailing Wage) 10.02 (City Resident Construction Worker Employment Requirement) and 10.03 (Developer’s MBE/WBE Commitment) of this Agreement. If any such reports indicate a shortfall in compliance, Developer will also deliver a plan to HED which will outline, to HED’s satisfaction, the manner in which Developer will correct any shortfall.

8.07 **Employment Profile.** Developer will submit, and contractually obligate and cause the General Contractor to submit and contractually obligate any subcontractor to submit, to HED, from time to time, statements of its employment profile upon HED’s request.

8.08 **Prevailing Wage.** Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the State Department of Labor (the “**Labor Department**”), to all of their respective employees working on constructing the Phase 1b New Work or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed under such contract, or alternatively Developer will provide applicable schedules evidencing wage rates paid. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City’s request, Developer will

provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.08.

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

8.10 **Financial Statements.** Developer will obtain and provide to HED Financial Statements for 2011 and, if available, 2012, and each year thereafter for the Term of the Agreement.

8.11 **Insurance.** Solely at its own expense, Developer will comply with all applicable provisions of Article Twelve (Insurance) hereof.

8.12 **Non-Governmental Charges.**

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

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.12); or

(ii) at HED's sole option, to furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED will require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of

any such transfer or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charges and all interest and penalties upon the adverse determination of such contest.

8.13 **Developer's Liabilities.** Developer will not enter into any transaction that would materially and adversely affect its ability to: (i) perform its obligations under this Agreement or (ii) repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer will immediately notify HED of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or under any other documents and agreements.

8.14 **Compliance with Laws.**

(a) **Representation.** To Developer's knowledge, after diligent inquiry, the Property and the Phase 1b Retail Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property and the Phase 1b Retail Project. Upon the City's request, Developer will provide evidence reasonably satisfactory to the City of such current compliance.

(b) **Covenant.** Developer covenants that the Property and the Phase 1b Retail Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property or the Phase 1b Retail Project, including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560, whether or not in performance of this Agreement. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

8.15 **Recording and Filing.** Developer will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Property. Developer will pay all fees and charges incurred in connection with any such recording. Upon recording, Developer will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.16 **Real Estate Provisions.**

(a) **Governmental Charges.**

(i) **Payment of Governmental Charges.** Subject to subsection (ii) below, Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or all or any portion of the Property or the Project provided, however, that this section shall not impose on Developer any obligation to be personally

liable on any tax that does not generally impose personal liability. “**Governmental Charge**” means 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 relating to Developer, the Property or the Project, including but not limited to real estate taxes.

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or transfer or forfeiture of the Property or the Project. No such contest or objection will be deemed or construed in any way as relieving, modifying or extending Developer’s covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to HED of Developer’s intent to contest or object to a Governmental Charge and, unless, at HED’s sole option:

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

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

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

8.17 **Annual Compliance Report.** Throughout the Term of the Agreement, Developer shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.18 **Reserved.**

8.19 **Broker's Fees.** Developer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.20 **No Conflict of Interest.** Under Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City, (a "City Group Member") owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member will 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, the Property, the Project, or to Developer's actual knowledge, any other property in the Redevelopment Area.

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

8.22 **No Business Relationship with City Elected Officials.** Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision. Under Section 2-156-030(b) of the Municipal Code, 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 official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby. 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 thereby.

8.23 **Inspector General.** It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the

Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.24 **Prohibition on Certain Contributions – Mayoral Executive Order No. 2011-4.** Neither Developer or any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5% ("**Owners**"), spouses and domestic partners of such Owners, Developer's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("**Sub-owners**") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "**Identified Parties**"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "**Mayor**") or to his political fundraising committee during: (i) the bid or other solicitation process for this Agreement or Other Agreement, including while this Agreement or Other Agreement is executory, (ii) the term of this Agreement or any Other Agreement between City and Developer, and/or (iii) any period in which an extension of this Agreement or Other Agreement with the City is being sought or negotiated.

Developer represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

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

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

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Agreement for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Agreement, at law and in equity. This provision amends any Other Agreement and supersedes any inconsistent provision contained therein.

If applicable, if Developer violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, then HED may reject Developer's bid.

For purposes of this provision:

"Other Agreement" means any agreement entered into between the Developer and the City that is (i) formed under the authority of MCC Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a **"political contribution"** as defined in MCC Ch. 2-156, as amended.

"Political fundraising committee" means a **"political fundraising committee"** as defined in MCC Ch. 2-156, as amended.

8.25 Shakman Accord

(a) The City is subject to the May 31, 2007 Order entitled "Agreed Settlement Order and Accord" (the **"Shakman Accord"**) and the June 24, 2011 "City of Chicago Hiring Plan" (the **"City Hiring Plan"**) entered in Shakman v. Democratic Organization of Cook County, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the Shakman Accord and the City Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

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

(c) Developer will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity

that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(d) In the event of any communication to Developer by a City employee or City official in violation of paragraph (b) above, or advocating a violation of paragraph (c) above, Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("**IGO Hiring Oversight**"), and also to the Commissioner of HED. Developer will also cooperate with any inquiries by IGO Hiring Oversight or the Shakman Monitor's Office related to this Agreement.

8.26 FOIA and Local Records Act Compliance.

(a) FOIA. 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 the FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If Developer receives a request from the City to produce records within the scope of FOIA, that would be otherwise required under this Agreement then Developer covenants to comply with such request within two (2) Business Days of the date of such request. Failure by Developer to timely comply with such request will be a breach of this Agreement.

(b) Exempt Information. Documents that Developer submits to the City under Section 8.20, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by 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 Developer marks a document as "proprietary, privileged and confidential", then HED will evaluate whether such document may be withheld under the FOIA. HED, 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. 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, Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act concerning records arising under or in connection with this Agreement and the transactions contemplated in the Agreement.

8.27 **Survival of Covenants.** All warranties, representations, covenants and agreements of Developer contained in this Article Eight and elsewhere in this Agreement are true, accurate and complete at the time of Developer's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Article Seven upon the issuance of a Certificate of Completion) will be in effect throughout the Term of the Agreement.

ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY

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

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

ARTICLE TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 **Employment Opportunity.** Developer, on behalf of itself and its successors and assigns, hereby agrees, and will contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer on the Phase 1b New Work (collectively, with Developer, such parties are defined herein as the "**Employers**", and individually defined herein as 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 Phase 1b New Work:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time-to-time (the "**Human Rights Ordinance**"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or

advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Phase 1b New Work be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer will comply with all applicable 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 State Human Rights Act, 775 ILCS 5/1-101 et seq. (2006 State Bar Edition), as amended, and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, will 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 will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Phase 1b New Work, after the Closing Date, and will require inclusion of these provisions in every subcontract entered into by any subcontractors, after the Closing Date, and every agreement with any Affiliate operating on the Property or at the Phase 1b New Work, after the Closing Date, so that each such provision will be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

10.02 City Resident Construction Worker Employment Requirement.

(a) Developer agrees for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Phase 1b New Work they will 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 Phase 1b New Work will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor will

be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Phase 1b New Work.

(b) 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.

(c) **“Actual residents of the City”** means persons domiciled within the City. The domicile is an individual’s one and only true, fixed and permanent home and principal establishment.

(d) Developer, the General Contractor and each subcontractor will provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Phase 1b New Work. Each Employer will maintain copies of personal documents supportive of every Chicago employee’s actual record of residence.

(e) Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of HED in triplicate, which will 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.

(f) Upon 2 Business Days prior written notice, Developer, the General Contractor and each subcontractor will provide full access to their employment records related to the construction of the Phase 1b New Work to the Chief Procurement Officer, the Commissioner of HED, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the construction of the Phase 1b New Work for a period of at least 3 years after final acceptance of the work constituting the Phase 1b New Work.

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

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

(i) When work at the Phase 1b New Work is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this

Article concerning the worker hours performed by actual residents of the City 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 Article. 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 allocated to the Phase 1b New Work set forth in the Project Budget (the product of .0005 x such aggregate hard construction costs) (as the same will be evidenced by approved contract value for the actual contracts) will be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

(j) Nothing herein provided will 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.

(k) Developer will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Phase 1b New Work, entered into after the Closing Date.

10.03 Developer's MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements stated in this section, will contractually obligate the General Contractor to agree that during the construction of the Phase 1b New Work:

(a) Consistent with the findings which support, as applicable: (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "**Construction Program**"), and collectively with the Procurement Program, the "**MBE/WBE Program**"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Phase 1b New Work, at least the following percentages of the MBE/WBE Budget (as stated in Exhibit D-2) must be expended for contract participation by Minority-Owned Businesses ("MBEs") and by Women-Owned Businesses ("WBEs"):

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

(b) For purposes of this Section 10.03 only:

(i) Developer (and any party to whom a contract is let by Developer in connection with the Phase 1b New Work) is deemed a “**contractor**” and this Agreement (and any contract let by Developer in connection with the Phase 1b New Work) is deemed a “**contract**” or a “**construction contract**” as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer’s MBE/WBE commitment may be achieved in part by Developer’s status as an MBE or WBE (but only to the extent of any actual work performed on the Phase 1b New Work by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of: (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Phase 1b New Work by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Phase 1b New Work by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Phase 1b New Work to one or more MBEs or WBEs, or by the purchase of materials or services used in the Phase 1b New Work from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer’s MBE/WBE commitment as described in this Section 10.03. In compliance with Section 2-92-730, Municipal Code of Chicago, Developer will not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of HED.

(d) Developer must deliver quarterly reports to the City’s monitoring staff during the Phase 1b New Work describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports will include, inter alia: the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Phase 1b New Work, and the responses received from such solicitation; the name and business address of each MBE or WBE actually involved in the Phase 1b New Work; a description of the work performed or products or services supplied; the date and amount of such work, product or service; and such other information as may assist the City’s monitoring staff in determining Developer’s compliance with this MBE/WBE commitment. Developer will maintain records of all relevant

data with respect to the utilization of MBEs and WBEs in connection with the Phase 1b New Work for at least 5 years after completion of the Phase 1b New Work, and the City's monitoring staff will have access to all such records maintained by Developer, on 5 Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Phase 1b New Work.

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

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

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

ARTICLE ELEVEN: ENVIRONMENTAL MATTERS

11.01 Environmental Matters. Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Phase 1b

New Work may be constructed, completed and operated in accordance with all Environmental Laws.

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

ARTICLE TWELVE: INSURANCE

12.01 **Insurance Requirements.** Developer's insurance requirements are stated in Schedule B which is hereby incorporated into this Agreement by reference and made a part of this Agreement.

ARTICLE THIRTEEN: INDEMNIFICATION

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

- (i) Any cost overruns as described in Section 4.08; or
- (ii) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

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

(iv) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or its agents, employees, contractors or persons acting under the control or at the request of Developer or any affiliate of Developer; or

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

(vi) any act or omission by Developer or any Affiliate of Developer;

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

ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 **Books and Records.** Developer will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Phase 1b New Work and the disposition of all funds from whatever source allocated thereto, and to monitor the Phase 1b New Work. All such books, records and other documents related to the Project, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Phase 1b New Work. The City shall provide three (3) Business Days' prior written notice to Developer in accordance with Section 17. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday.

14.02 **Inspection Rights.** Upon three (3) Business Days' notice, any authorized representative of the City shall have access to all portions of the Property or the Phase 1b New Work during normal business hours for the Term of the Agreement. The City shall provide three (3) Business Days' prior written notice to Developer in accordance with Section 17. The notice

shall indicate the date and time of the inspection. All inspections shall be conducted between the hours 9:00 a.m. and 5:00 p.m., Monday through Friday.

ARTICLE FIFTEEN: DEFAULT AND REMEDIES

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

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

(b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer’s business, property (including the Property or the Phase 1b Retail Project), assets (including the Property or the Phase 1b Retail Project), operations or condition, financial or otherwise;

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

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt by Developer to create, any lien or other encumbrance upon the Property or the Phase 1b Retail Project, including any fixtures now or hereafter attached thereto, other than the Permitted Liens or any Permitted Mortgage, or the making or any attempt to make any levy, seizure or attachment thereof;

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

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

(g) the entry of any judgment or order against Developer, not covered by insurance for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer; or

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

(k) prior to the expiration of the Term of the Agreement except as otherwise provided herein, the sale or transfer of all of the ownership interests of Developer without the prior written consent of the City; or

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

For purposes of Section 15.01(j), hereof, a natural person with a material interest in Developer is one owning in excess of seven and a half percent (7.5%) of Developer's issued and outstanding ownership shares or interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds, provided, however, that, notwithstanding any conflicting provision herein, upon issuance of City Note A, the City's obligation to make payments on City Note A shall be vested without defense to payment (other than insufficiency of Available Incremental Taxes), including as a result of an Event of Default hereunder, and the City's obligation to make payments on City Note A shall survive any termination of this Agreement. Subject to the foregoing, the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. To the extent permitted by law, the City may also lien the Property.

15.03 Curative Period.

(a) In the event Developer fails to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless

Developer has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer fails to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless Developer has failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day period, Developer will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

15.04 Joint and Several Liability.

(a) By entering into this Agreement, Pullman Park Development and Chicago Neighborhood Initiatives each specifically agree that the respective undertakings, liabilities and obligations for “**Developer**” stated in this Agreement are for each entity joint and several with the other entity. Such joint and several undertakings means that each entity is individually satisfactory performance of each and every obligation, covenant, condition, requirement, undertaking or payment of the “Developer” as stated in this Agreement, and each entity is individually bound by and obligated to each and every term and condition in this Agreement.

(b) The joint and severally undertaking of the entities stated in subsection (a) above is intended to be continuing throughout the Term of the Agreement. Such joint and several undertaking will not be changed, modified, reduce or released in any way by:

- (i) any change, amendment, modification or correction to this Agreement, the City Notes or any other agreement or undertaking contemplated or reference in this Agreement; or,
- (ii) the existence of any claim, setoff, defense, counter-claim or other right which either Pullman Park Development or Chicago Neighborhood Initiatives may have or assert against each other or against the City or against any third party.

(c) From time-to-time, and at any time during the Term of the Agreement, the City may assert and pursue one or more of its remedies under this Agreement against either Pullman Park Development or Chicago Neighborhood Initiatives as the case may be under this Agreement.

ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT

16.01 Mortgaging of the Project. Any and all mortgages or deeds of trust in place as of the date hereof with respect to the Property or Project or any portion thereof are listed on

Exhibit I hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, if any) and are referred to herein as the “**Existing Mortgage.**” Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof without obtaining the prior written consent of the City is referred to herein as a “**New Mortgage.**” Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof with the prior written consent of the City is referred to herein as a “**Permitted Mortgage.**” It is hereby agreed by and between the City and Developer as follows:

(a) If a mortgagee or any other party shall succeed to Developer’s interest in the Property or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer’s interest hereunder in accordance with Section 18.15 hereof, the City may, but will not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party will be entitled to no rights or benefits under this Agreement, but such party will be bound by those provisions of this Agreement that are covenants expressly running with the land comprising the Property (as defined herein).

(b) Notwithstanding any provision of this Agreement to the contrary, the exercise of the remedies of foreclosure of a mortgage or any sale of Developer’s interest in the Property in connection with a foreclosure, whether by judicial proceedings or by virtue of any power of sale contained in the mortgage, or any conveyance of Developer’s interest in the Property to the mortgagee or its nominee or designee by virtue of or in lieu of foreclosure or other appropriate proceedings, or any conveyance of Developer’s interest in the Property by the mortgagee or its nominee or designee, or any other exercise of remedies under the documents evidencing Lender Financing shall not require the consent or approval of the City or constitute a breach of any provision of or a default under this Agreement.

(c) If any mortgagee or any other party shall succeed to Developer’s interest in the Property or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer’s interest hereunder in accordance with Section 18.15 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of “Developer” hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer’s interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of Developer which occurred prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of

Developer's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(d) Prior to the issuance by the City to Developer of a Certificate of Completion under Article Seven hereof, no New Mortgage will be executed with respect to the Property or the Project or any portion thereof without the prior written consent of the Commissioner of HED. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate of Completion, consent of the Commissioner of HED is not required for any such New Mortgage.

ARTICLE SEVENTEEN: NOTICES

17.01 Notices. All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified U.S. Mail, return receipt requested; (c) be given at the following respective addresses:

If to the City: City of Chicago
Department of Housing and Economic Development
Attn: Commissioner
121 North LaSalle Street, Room 1000
Chicago, IL 60602
312/744-4190 (Main No.)
312/744-2271 (Fax)

With Copies To: City of Chicago
Corporation Counsel
Attn: Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602
312/744-0200 (Main No.)
312/742-0277 (Fax)

If to Developer: Pullman Park Development, LLC
c/o Chicago Neighborhood Initiatives, Inc.
1000 E. 111th Street – 10th Floor
Chicago, IL 60628
Attn: David Doig

Pullman Park Development, LLC
c/o Chicago Neighborhood Initiatives, Inc.
1000 E. 111th Street – 10th Floor
Chicago, IL 60628

Attn: Angie Marks

With Copies To: DLA Piper LLP (US)
203 North LaSalle Street
19th Floor
Chicago, IL 60601
Attn: David L. Reifman, Esq.
Mariah F. DiGrino, Esq.

or at such other address or telecopier/fax or telephone number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

17.02 **Developer Requests for City or HED Approval**. Any request under this Agreement for City or HED approval submitted by Developer will comply with the following requirements:

- (a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);
- (b) expressly state the particular document and section thereof relied on by Developer to request City or HED approval;
- (c) if applicable, note in bold type that failure to respond to Developer's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or HED;
- (d) if applicable, state the outside date for the City's or HED's response; and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of Developer's request.

ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments**. This Agreement and the Schedules and Exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties; provided, however, that the City in its sole discretion, may amend, modify or supplement the Redevelopment Plan, which is Exhibit C hereto. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plan as in effect on the date of this

Agreement. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "**material**" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than 180 days.

18.02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter. This Agreement and the Schedules and Exhibits attached hereto may not be contradicted by evidence of prior, contemporaneous, or subsequent verbal agreements of the parties. There are no unwritten verbal agreements between the parties.

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

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

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

18.07 Parties in Interest/No Third Party Beneficiaries. The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will 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. Nothing contained in this Agreement, nor any act of the City or Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

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

18.09 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

18.10 Counterpart Facsimile Execution. For purposes of executing this Agreement, a document signed and transmitted by facsimile machine will be treated as an original document. The signature of any party thereon will be considered as an original signature, and the document transmitted will be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document will be re-executed by other parties in original form. No party hereto may raise the use of a facsimile machine as a defense to the enforcement of this Agreement or any amendment executed in compliance with this section. This section does not supersede the requirements of Article Seventeen: Notices.

18.11 Severability. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is 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 will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.12 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

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

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

18.15 **Assignment.** Prior to the issuance by the City to Developer of a Certificate of Completion, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however, that Developer may assign, on a collateral basis, the right to receive City Funds to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any successor in interest to Developer under this Agreement (excluding any Lender that has been assigned only the right to received City Funds on a collateral basis) will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement for the Term of the Agreement. Developer hereby consents to the City's assignment or other transfer of this Agreement at any time in whole or in part.

18.16 **Binding Effect.** This Agreement is binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein).

18.17 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them will 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, flood, war, acts of terrorism, imposition of martial law, government regulation or executive order, plague or other illness, bank runs or bank holidays or stock or commodity exchange closures or wire transfer interruptions, capital controls, civil disorders, rebellions or revolutions, strike, shortage of material, power interruptions or blackouts, cyber attacks, electro magnetic pulse ("EMP") attacks, internet disruptions or shut-downs, shortages or rationing of food, water or fuel, 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, except to the extent that, the non-performing party is at fault in failing to prevent or causing such default or delay; and provided that such default or delay can not reasonably be circumvented by the non-performing party through the use of alternative sources, work around plans or other means. The individual or entity relying on this section with respect to any such delay will, 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 affected by any such events described above.

18.18 **Exhibits and Schedules.** All of the exhibits and schedules to this Agreement are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.19 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. (2006 State Bar Edition), as amended), if Developer is required to provide notice under the WARN Act, Developer will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

18.21 **Construction of Words.** The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to."

18.22 **Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State Law, the date for such performance will be the next succeeding Business Day.

18.23 **Survival of Agreements.** All covenants and agreements of the parties contained in this Agreement will survive the Closing Date in accordance with the provisions of this Agreement.

18.24 **Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

18.25 **Venue and Consent to Jurisdiction.** 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 and the United States District Court for the Northern District of Illinois.

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

[The remainder of this page is intentionally left
blank and the signature page follows]

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

PULLMAN PARK DEVELOPMENT, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY

By its managing member: Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation:

By: 

Printed Name: David Dorig

Title: President

CHICAGO NEIGHBORHOOD INITIATIVES, INC., an Illinois not-for-profit corporation

By: 

Printed Name: David Dorig

Title: President

CITY OF CHICAGO

By: _____

Commissioner,
Department of Housing and Economic
Development

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

PULLMAN PARK DEVELOPMENT, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY

By its managing member: Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation:

By: _____

Printed Name: _____

Title: _____

CHICAGO NEIGHBORHOOD INITIATIVES, INC., an Illinois not-for-profit corporation

By: _____

Printed Name: _____

Title: _____

CITY OF CHICAGO

By: _____ 

ANDREW J. MOONEY, Commissioner,
Department of Housing and Economic
Development

STATE OF IL)
) SS
COUNTY OF COOK)

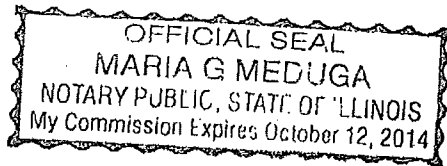
I, MARIA G MEDUGA, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that DAVID POLB, personally known to me to be the PRESIDENT of Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation, which is the managing member of PULLMAN PARK DEVELOPMENT, LLC, an Illinois limited liability company (the "Developer") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 6th day of JUNE, 2013.

Maria G. Meduga
Notary Public

My Commission Expires 10/12/14

(SEAL)



STATE OF IL)
) SS
COUNTY OF COOK)

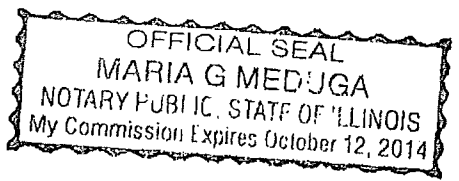
I, MARIA G MEDUGA, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that DAVID DOLG, personally known to me to be the PRESIDENT of Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation, (the "Developer") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 6th day of JUNE, 2013.

Maria G. Meduga
Notary Public

My Commission Expires 10/12/14

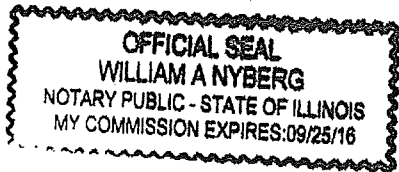
(SEAL)



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, William A. Nyberg, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that ANDREW J. MOONEY, personally known to me to be the _____ Commissioner of the Department of Housing and Economic Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he ~~has~~^{AK} signed, sealed, and delivered said instrument pursuant to the authority given to him ~~by~~^{AC} the City, as ~~his~~^{his} free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 7th day of June, 2013.



William A. Nyberg
Notary Public

My Commission Expires 09/25/16

NORTH PULLMAN
REDEVELOPMENT PROJECT AREA

PULLMAN PARK DEVELOPMENT, LLC,
CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of June 7, 2013

SCHEDULE A

DEFINITIONS

For purposes of this Agreement the following terms shall have the meanings stated forth below:

“Acquisition” has the meaning defined in Recital D.

“Act” has the meaning defined in Recital B.

“Actual Residents of the City” has the meaning defined for such phrase in Section 10.02(c).

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

“Agreement” has the meaning defined in the Agreement preamble.

“Annual Compliance Report” shall mean a signed report from Developer to the City: (a) itemizing each of Developer’s obligations under the Agreement during the preceding calendar year; (b) certifying Developer’s compliance or noncompliance with such obligations; (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance; and (d) certifying that Developer is not in default beyond applicable notice and cure periods with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.13); (2) delivery of updated insurance certificates, if applicable (Section 8.11); (3) delivery of evidence of payment of Non-

Governmental Charges, if applicable (Section 8.12); (4) delivery of evidence of Developer's compliance with the green construction requirements of Section 3.15(c); and (5) compliance with all other executory provisions of the RDA.

"Available Incremental Taxes" means all Incremental Taxes (as defined below) deposited in the North Pullman Redevelopment Project Area Special Tax Allocation Fund attributed to the taxes levied on the former Ryerson Steel site, with a roster of applicable PINS scheduled in Exhibit B-4.

"Bank Trustee" has the meaning defined in Section 4.01, Note 3.

"Bonds" has the meaning defined in Section 8.05.

"Bond Ordinance" means the City Ordinance authorizing the issuance of Bonds.

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

"Capitalized Interest" has the meaning defined in Section 4.01(a) Note 3.

"Capitalized Interest Account" has the meaning defined in Section 4.01(a) Note 3.

"Certificate of Completion" has the meaning defined in Section 7.01.

"Change Order" means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.03, 3.04 and 3.05.

"Chicago Neighborhood Initiatives" has the meaning defined in the Agreement Preamble.

"City" has the meaning defined in the Agreement preamble.

"City Contract" has the meaning defined in Section 8.01(l).

"City Council" means the City Council of the City of Chicago as defined in Recital C.

"City Funds" means the funds described in Section 4.03(a).

"City Funds Requisition Form" means the Requisition Form substantially in the form of Exhibit N.

"City Group Member" has the meaning defined in Section 8.20.

"City Hiring Plan" has the meaning defined in Section 8.25.

“City Note A” shall mean the Tax Increment Allocation Revenue Note (Pullman Park Redevelopment Project), Tax Exempt Series A, to be in the form attached hereto as **Exhibit M-1**, in an initial principal amount equal to the amount that will result in City Note A Net Proceeds (after reductions for any required capitalized interest and debt service reserve fund), of Four Million Nine Hundred and Three Thousand Five Hundred and Twenty-Five Dollars (\$4,903,525), with a maximum principal amount of [\$6,750,000]. The determination of the initial principal amount of City Note A shall also be subject to an investor letter provided by a qualified investment banker that City Note A can be supported to such initial principal amount given market conditions as of the date of the investor letter. Interest on City Note A shall accrue upon issuance at a rate equal to the 20-year BAA Uninsured G.O. Bond Index as published by Thompson-Reuters Municipal Market Data (“MMD”) plus 250 basis points and shall compound annually. City Note A shall be tax exempt and shall have a first lien on the Available Incremental Taxes. Upon issuance, the City will issue an amortization schedule for City Note A. City Note A shall be issued on the Closing Date.

“City Note A Interest Rate” has the meaning defined in Section 4.03(d)(ii).

“City Note A Lock-Out Period” has the meaning defined in Section 4.03(d)(vi)(A).

“City Note A Net Proceeds” shall mean the amount of proceeds of City Note A deposited in the Construction Escrow after reductions for any required capitalized interest and debt service reserve fund.

“City Note B” shall mean the Tax Increment Allocation Revenue Note (Pullman Park Redevelopment Project), Taxable Series B, to be in the form attached hereto as **Exhibit M-2**, in an initial principal amount equal to the amount calculated as principal as stated in Section 4.03(e). Interest on City Note B shall accrue upon issuance at a rate equal the 20-year BBB Corporate bond index as published by Bloomberg plus 200 basis points and shall compound annually. City Note B shall be taxable and shall have a second lien on Available Incremental Taxes. City Note B shall be issued on the Note Sale Date if City Note A Net Proceeds (after reductions for any required capitalized interest and debt service reserve fund, is less than Four Million Nine Hundred and Three Thousand Five Hundred and Twenty-Five Dollars (\$4,903,525). City Note B shall be paid with excess Available Incremental Taxes after payment in full of all City Note A required funding.

“City Note B Interest Rate” has the meaning defined in Section 4.03(e)(ii).

“City Notes” shall mean, collectively, City Note A and City Note B.

“City Requirements” has the meaning defined in Section 3.07.

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

“Commissioner” or **“Commissioner of HED”** means that individual holding the office and exercising the responsibilities of the Commissioner or Acting Commissioner of the City’s Department of Housing and Economic Development and any successor City Department.

“Contribution” and **“political contribution”** each has the meaning defined in Section 8.24.

“Construction Contract” means that certain contract substantially in the form of Exhibit G, to be entered into between Developer and the General Contractor (as defined below) providing for construction of, among other things, the TIF-Funded Improvements. The parties to this Agreement may agree that the Construction Contract may be provided after Closing Date.

“Construction Escrow” shall mean the construction escrow established under the terms of the Escrow Agreement.

“Construction Program” has the meaning defined in Section 10.03(a).

“Corporation Counsel” means the City’s Department of Law.

“DCEO Grant” has the meaning defined in Recital D.

“Developer” has the meaning defined in the Agreement preamble.

“EDS” means the City’s Economic Disclosure Statement and Affidavit, on the City’s then-current form, whether submitted in paper or via the City’s online submission process.

“Employer(s)” has the meaning defined in Section 10.01.

“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 of Chicago (as defined below), and including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

“**Equity**” means funds of Developer (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.08 (Cost Overruns).

“**Escrow Agreement**” shall mean the Escrow Agreement substantially in the form of Exhibit F-1 establishing a construction escrow for the Project, to be entered into as of even date with this Agreement by and among the Title Company (or an affiliate of the Title Company), Developer, the General Contractor and the City. The Escrow Agreement shall provide among other things, that all draw requests from the Escrow must be accompanied by invoices, cancelled checks, lien waivers, owner’s sworn statements, MBE/WBE subcontractor , contract amounts, and certification letters a prerequisite to disbursements.

“**Event of Default**” has the meaning defined in Section 15.01.

“**Existing Mortgages**” has the meaning defined in Section 16.01.

“**Financial Statements**” means the financial statements regularly prepared by Developer, if any, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, for business enterprises operating for profit in the United States of America, and also includes financial statements (both audited and unaudited) prepared by a certified public accountant, together with any audit opinion and management letter issued by Developer’s auditor.

“**FOIA**” has the meaning defined in Section 8.26(a).

“**General Contractor**” means the general contractor(s) hired by Developer under Section 6.01.

“**Governmental Charge**” has the meaning defined in Section 8.16(a)(i).

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

“**HED**” has the meaning defined in the Agreement preamble.

“**Human Rights Ordinance**” has the meaning defined in Section 10.01(a).

“**IGO Hiring Oversight**” has the meaning defined in Section 8.25.

“**Incremental Taxes**” means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid

to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the North Pullman Redevelopment Project Area Special Tax Allocation Fund.

“Indemnitee” and **“Indemnitees”** have the respective meanings defined in Section 13.01.

“Junior Mortgage” means a junior mortgage that the City may require to be entered into on the Closing Date, to secure an amount of up to \$4,903,525, in a form reasonably acceptable to Developer, the City and Corporation Counsel, executed by Developer as mortgagor, in favor of the City as mortgagee, securing Developer’s completion of the Phase 1b New Work.

“Labor Department” has the meaning defined in Section 8.08.

“Lender” has the meaning defined in Section 3.08.

“Lender Financing” means funds borrowed by Developer from lenders, if any, and available to pay for costs of the Project.

“Local Records Act” has the meaning defined in Section 8.26(c).

“MBE(s)” has the meaning defined in Section 10.03(b).

“MBE/WBE Program” has the meaning defined in Section 10.03(a).

“Minimum Assessed Value” has the meaning defined in Section 8.16(c)(i).

“Minority-Owned Business” has the meaning defined in Section 10.03(b).

“MOPD” has the meaning defined in Section 3.13.

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

“New Mortgage” has the meaning defined in Section 16.01.

“Note Sale Date” means the date on which City Note A is sold by Chicago Neighborhood Initiatives, as contemplated in Section 4.03(d).

“Non-Governmental Charges” means all non-governmental charges, liens, claims, or encumbrances relating to Developer, the Property or the Project.

“North Pullman Redevelopment Project Area Special Tax Allocation Fund” means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined above) will be initially deposited and then re-

deposited, together with any ported funds, to the Pullman Park Development, LLC/Chicago Neighborhood Initiatives Debt Service Account.

“**Other Agreement**” has the meaning defined in Section 8.24.

“**PD 1167**” has the meaning defined in Recital E.

“**Permitted Liens**” means those liens and encumbrances against the Property and/or the Project stated in Exhibit I.

“**Permitted Mortgage**” has the meaning defined in Section 16.01.

“**Phase 1a Infrastructure Improvements**” has the meaning defined in Recital D.

“**Phase 1b Completed Work**” has the meaning defined in Recital D.

“**Phase 1b New Work**” has the meaning defined in Recital D.

“**Phase 1b New Work Budget**” has the meaning defined in Section 3.03.

“**Phase 1b Retail Project**” has the meaning defined in Recital D.

“**Plan Adoption Ordinance**” has the meaning defined in Recital C.

“**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.

“**Political fundraising committee**” has the meaning defined in Section 8.24.

“**Prior Expenditure(s)**” has the meaning defined in Section 4.04.

“**Procurement Program**” has the meaning defined in Section 10.03(a).

“**Project**” has the meaning defined in Recital D.

“**Project Budget**” means the budget stated in Exhibit D-1, showing the total cost of the Project by line item, as furnished by Developer to HED, in accordance with Section 3.03.

“**Property**” has the meaning defined in Recital D.

“**Pullman Park Development**” has the meaning defined in the Agreement Preamble.

“**Qualified Transfer of City Note A**” means the sale or assignment of the City Note A or pledge of City Note A to a lender providing Lender Financing as long as:

(a) any sale or assignment is to a “qualified investor” with no view to resale or reassignment; and

(b) any sale or assignment is subject to the terms and procedures of an investment letter acceptable to the City; and

(c) any such pledge or assignment or sale transaction is of a kind, nature and purchase price that is reasonably acceptable to the City (which acceptance may, in the Commissioner’s reasonable discretion, include a modification of the requirements stated in the proceeding clauses (a) through (b)).

“Qualified Transfer of City Note B” means the sale or assignment of the City Note B or pledge of City Note B to a lender providing Lender Financing as long as:

(a) any sale or assigned is to a “qualified investor” with no view to resale or reassignment; and

(b) any sale or assignment is subject to the terms and procedures of an acceptable investment letter; and

(c) any such pledge or assignment or sale transaction is of a kind , nature and purchase price and nature that is reasonably acceptable to the City (which acceptance may, in the Commissioner’s reasonable discretion, include a modification of the requirements stated in the proceeding clauses (a) through (c)).

(d) Any holder(s) of City Note B acquired in a Qualified Transfer of City Note B transaction must certify to the City that such holder(s) understand the terms and conditions associated with receiving payments of interest and principal on City Note B.

“Redevelopment Area” means the North Pullman Redevelopment Project Area as legally described in Exhibit A, and defined in Recital C.

“Redevelopment Plan” has the meaning defined in Recital E.

“Redevelopment Project Costs” means redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget stated in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

“Requisition Form” has the meaning defined in Section 4.03(a).

“Reserve Escrow” shall mean an escrow to cure payment shortfalls if there are insufficient Available Incremental Taxes to make payments on City Note A.

“Reserve Escrow Agreement” shall mean the agreement substantially in the form of Exhibit F-2 establishing the Reserve Escrow.

“**Scope Drawings**” means preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

“**Shakman Accord**” has the meaning defined in Section 8.25.

“**State**” means the State of Illinois as defined in Recital A.

“**Survey**” means a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property meeting the 2011 minimum standard detail requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, 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 any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing, if any).

“**Term of the Agreement**” means the period of time commencing on the Closing Date and ending on December 31, 2033 (such date being the last date of the calendar year in which taxes levied in the year that is 23 years after the creation of the Redevelopment Area are paid) or such later date as the Redevelopment Area expires in accordance with the TIF Ordinances.

“**TIF Adoption Ordinance**” has the meaning stated in Recital C.

“**TIF Bonds**” has the meaning defined for such term in Recital F.

“**TIF Bond Ordinance**” has the meaning stated in Recital F.

“**TIF Bond Proceeds**” has the meaning stated in Recital F.

“**TIF-Funded Improvements**” means those improvements of the Project listed in Exhibit E, all of which have been determined by the City prior to the date hereof to be qualified Redevelopment Project Costs and costs that are eligible under the Redevelopment Plan for reimbursement by the City out of the City Funds, subject to the terms of this Agreement.

“**TIF Ordinances**” has the meaning stated in Recital C.

“**Title Company**” means First American Title Insurance Company.

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

“**Under Assessment Complaint**” has the meaning set forth in Section 8.16(c)(iii).

“WARN Act” means the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

“WBE(s)” has the meaning defined in Section 10.03(b).

“Women-Owned Business” has the meaning defined in Section 10.03(b).

NORTH PULLMAN
REDEVELOPMENT PROJECT AREA

PARK DEVELOPMENT, LLC
CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of June 7, 2013

SCHEDULE B

ARTICLE TWELVE: INSURANCE REQUIREMENTS

12.01 Insurance. Developer will provide and maintain, or cause to be provided and maintained, at Developer's own expense, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement

(i) Workers' Compensation and Employers Liability Insurance

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

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

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

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

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or rail transit property or within 50 feet of railroad or rail transit property, contractor must provide, or cause to be provided with respect to the operations that the contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance

When the contractor undertakes any construction, including improvements, betterments, and/or repairs, Developer must cause each contractor to provide, or cause to be provided All Risk Blanket Builders

Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the Project. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable, flood including surface water backup. The City will be named as an additional insured and loss payee.

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement by Developer's architects, contractors, sub-contractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 1 year. The City is to be named as an additional insured on a primary, non-contributory basis.

(ix) Blanket Crime

Developer must provide Crime Insurance or equivalent covering all persons handling funds under this Agreement, against loss by dishonesty, robbery, destruction or disappearance, computer fraud, credit card forgery,

and other related crime risks. The policy limit must be written to cover losses in the amount of the maximum monies collected or received and in the possession of Developer at any given time.

(c) Other Insurance Required.

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

(d) Other Requirements

- (i) Developer will furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer must not be deemed to be a waiver by the City. Developer will advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance will not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.
- (ii) The insurance will provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.
- (iii) Any and all deductibles or self insured retentions on referenced insurance coverages are borne by Developer.

- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.
- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.
- (vii) The required insurance will not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.
- (viii) Developer will require its general contractor and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein.
- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.
- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements.

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



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Doc#: 1334510071 Fee: \$240.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 12/11/2013 03:48 PM Pg: 1 of 102

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NORTH PULLMAN AND LAKE CALUMET AREA INDUSTRIAL REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES, INC. REDEVELOPMENT AGREEMENT

This Chicago Neighborhood Initiatives, Inc. Redevelopment Agreement (the "Agreement") is made as of this 9th day of December, 2013, between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("HED"), and Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation (the "Developer"). People Against Dirty Property Management, LLC, a Delaware limited liability company ("Method"), is signing a limited joinder hereto with respect to Sections 8.16(c), 8.17 and 18.27 hereof. The City, the Developer and Method (but only with respect to Sections 8.16(c), 8.17 and 18.27 hereof) shall be known herein as the "Parties."

RECITALS:

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

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

C. City Council Authority: (i) To induce certain redevelopment pursuant to the Act, in accordance with the provisions of the Act, pursuant to ordinances adopted on June 30, 2009, and published at pages 65068 through 65179 of the Journal of Proceedings of the City Council (the "Journal") for such date (the "North Pullman TIF Ordinances"), the City Council of the City

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(the "City Council"): (1) approved and adopted a redevelopment plan (the "North Pullman Redevelopment Plan") for the North Pullman Redevelopment Project Area (the "North Pullman Redevelopment Area") of the City; (2) designated the North Pullman Redevelopment Area as a "redevelopment project area" pursuant to the Act; and (3) adopted tax increment allocation financing for the North Pullman Redevelopment Area (the "North Pullman TIF Adoption Ordinance"). (ii) To induce certain redevelopment pursuant to the Act, in accordance with the provisions of the Act, pursuant to ordinances adopted on December 13, 2000 and published at pages 47783 through 47996 of the Journal for such date, the City Council: (1) approved and adopted a redevelopment plan (as amended pursuant to ordinances adopted on November 13, 2002 and November 19, 2008, the "Lake Calumet Redevelopment Plan") for the Lake Calumet Area Industrial Redevelopment Project Area (the "Lake Calumet Redevelopment Area") of the City; (2) designated the Lake Calumet Redevelopment Area as a "redevelopment project area" pursuant to the Act; and (3) adopted tax increment allocation financing for the Lake Calumet Redevelopment Area. (iii) The North Pullman and Lake Calumet Redevelopment Project Areas (collectively, the "Redevelopment Areas") are legally described in Exhibit A.

D. The Project: The Developer will purchase (the "Acquisition") certain property located mostly within the North Pullman Redevelopment Area but also partially within the Lake Calumet Redevelopment Area in the vicinity of 111th and Ellis Avenue, as legally described on Exhibit B (the "Property"), together with certain adjacent property (also legally described on Exhibit B) to be used as a private drive serving the Property and other land, and the Developer shall, within the time frames set forth in Section 3.01, commence and complete the preparation of the Property for construction of a manufacturing and distribution facility and shall convey the Property to Method (the Acquisition, site preparation and work and conveyance to Method shall be known herein as the "Project"). The Parties acknowledge that the Project expressly excludes construction of such manufacturing and distribution facility itself, which work is to be performed by Method as set forth in Section 18.27. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plans: The Project will be carried out in accordance with: (i) this Agreement, and (ii) the North Pullman and Lake Calumet Redevelopment Plans (collectively, the "Redevelopment Plans").

F. City Financing and Assistance: Subject to Developer fulfilling those obligations under this Agreement that are the applicable conditions precedent to obligate the City to do so, the City will grant the Developer Incremental Taxes (as defined in Schedule A) in an amount not to exceed \$8,100,000 ("City Funds").

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT:

ARTICLE ONE: INCORPORATION OF RECITALS

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement.

ARTICLE TWO: DEFINITIONS

The definitions stated in Schedule A and those definitions stated in the recitals and preamble are hereby incorporated into this Agreement by reference and made a part of this Agreement.

ARTICLE THREE: THE PROJECT

3.01 The Project. Developer has commenced construction of the Project and will complete construction of the Project no later than September 1, 2014, subject to: (a) Section 18.17 (Force Majeure); (b) applicable Change Orders, if any, issued under Section 3.04; (c) the receipt of all applicable permits and Project approvals; and (d) installation of environmental barriers and issuance of a "No Further Remediation" letter, which shall not be required to be completed by September 1, 2014, but which shall be diligently pursued to completion.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to HED, and HED has approved them. Subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to HED as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plans as in effect on the date of this Agreement, and to all applicable Federal, State and local laws, ordinances and regulations. Developer will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. Developer has furnished to HED, and HED has approved, a Project Budget which is Exhibit D-1, showing total costs for the Project in an amount not less than \$11,640,068.00. Developer hereby certifies to the City that: (a) it has Lender Financing and/or Equity in an aggregate amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer will promptly deliver to HED copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

3.04 Change Orders.

(a) Except as provided in subparagraph (b) below, 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 HED concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Developer to HED for HED's prior written approval: (i) a reduction by more than five percent (5%) in the square footage of the Project from the square footage approved by HED under Section 3.02, or (ii) a change in the primary use of the Project, or (iii) a delay in the Project completion date by more than 30 days, or (iv) change orders resulting in an aggregate increase to the Project Budget of 10% or more. Developer will not authorize or permit the performance of any work relating to any Change Order requiring HED's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Developer of HED's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, will contain a provision to this effect or for

compliance with this Agreement generally. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Developer.

(b) Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those stated in subsection (a) above do not require HED's prior written approval as stated in this Section 3.04, but HED must be notified in writing of all such Change Orders within 10 Business Days after the execution of such change order, and Developer, in connection with such notice, must identify to HED the source of funding therefor in the progress reports described in Section 3.07.

3.05 HED Approval. Any approval granted by HED under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval, nor does any such approval by HED under this Agreement constitute approval of the utility, quality, structural soundness, safety, habitability, merchantability or investment quality of the Project. Developer will not make any verbal or written representation to anyone to the contrary. Developer shall not undertake construction of the Project unless Developer has obtained all necessary permits and approvals (including but not limited to HED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required under this Agreement.

3.06 Other Approvals. Any HED approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

3.07 Progress Reports and Survey Updates. After the Closing Date, on or before the 15th day of each reporting month, Developer will provide HED with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring HED's written approval under Section 3.04). Developer must also deliver to the City written monthly progress reports detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) (collectively, the "City Requirements"). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to HED to address and cure such shortfall.

3.08 Inspecting Agent or Architect. An independent agent or architect, if any (other than Developer's architect), will also act as the inspecting agent or architect for HED for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Developer's account and will be promptly paid by Developer. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to HED, prior to requests for disbursement for costs related to the Project.

3.09 Barricades. Prior to commencing any construction requiring barricades, Developer will install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable Federal, State or City laws, ordinances, rules

and regulations. HED retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of Developer or the Project).

3.10 Signs and Public Relations. If requested by HED, Developer will erect in a conspicuous location on the Property during the Project a sign of size and style approved by the City, 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 any other pertinent information regarding Developer and the Project in the City's promotional literature and communications.

3.11 Reserved.

3.12 Reserved.

3.13 Accessibility for Disabled Persons. Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner which promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and improvements on the Property will be reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

ARTICLE FOUR: FINANCING

4.01 Total Project Cost and Sources of Funds. The total cost of the Project is estimated to be approximately \$11,640,068.00 to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Lender Financing	\$	0.00
Equity (subject to Section 4.06)	\$	2,790,068.00
Purchase Price from Method	\$	750,000.00
City Funds	\$	8,100,000.00
ESTIMATED TOTAL		\$11,640,068.00

*Note: Developer reserves the right to use Lender Financing to initially pay for all or any portion of the Project costs.

4.02 Developer Funds. Equity, Lender Financing, City Funds and the Purchase Price from Method shall be used to pay all Project costs, including but not limited to Redevelopment Project Costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to reimburse the Developer for costs of the Acquisition and of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit E sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and

4.05(d)), contingent upon receipt by the City of documentation in form and substance satisfactory to HED evidencing such cost and its eligibility as a Redevelopment Project Cost. No later than 45 days prior to Closing, Developer will submit a City Funds Requisition Form in the form of Exhibit N (the "Requisition Form") to request payment of City Funds.

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

Source of City Funds	Maximum Amount
Incremental Taxes	\$8,100,000

(c) The City Funds will be reduced on a dollar-for-dollar basis if the final Project cost (as evidenced by the final owner's sworn statement for the Project submitted pursuant to Section 7.01) is less than \$9,910,736.

(d) Payment of City Funds.

(i) Anticipated Disbursements of City Funds. Subject to the terms and conditions hereof, it is anticipated that the City Funds shall be requisitioned by the Developer and disbursed by the City in the following amounts at the following times:

Amount	Requisition Submission Deadline	Anticipated Disbursement Date
\$ 500,000	45 days prior to Closing Date	Closing Date
\$1,500,000	November 1, 2013	December 31, 2013
\$1,500,000	February 1, 2014	March 31, 2014
\$ 600,000	February 1, 2014	March 31, 2014
\$3,500,000*	February 1, 2014	March 31, 2014
\$ 500,000	November 1, 2014	December 31, 2014

*Note: The \$3,500,000 installment of City Funds will not be disbursed until the Developer has evidenced full compliance with Section 10.03 hereof. All disbursements of City Funds are subject to compliance with Sections 8.08 and 10.02 hereof.

(ii) Reserved.

(iii) Insufficient Incremental Taxes. Payments hereunder are subject to the amount of Incremental Taxes being sufficient for such payments. If the amount of Incremental Taxes is insufficient to make any anticipated payment of City Funds, then: (1) the City will not be in default under this Agreement, and (2) unpaid payments (or portions thereof) will be paid as provided in this Section 4.03 as promptly as funds become available for their payment.

(iv) The City shall provide Developer with TIF assistance to construct the Project up to the maximum amounts set forth herein.

(v) Reserved.

(vi) Reserved.

(vii) Reserved.

(viii) Other City Funds Matters. The Developer acknowledges and agrees that the City's obligation to pay any amount is contingent upon satisfaction of all applicable terms and conditions of this Agreement, including without limitation, compliance with the covenants in Section 8 (Covenants/Representations/Warranties of the Developer). In the event that such conditions are not fulfilled, the amount of Lender Financing and/or Equity to be contributed pursuant to Section 4.01 hereof shall be increased, as necessary, to complete the Project.

4.04 Reserved.

4.05 Treatment of Prior Expenditures/Administration Fee.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing, if any, hereunder (the "Prior Expenditure(s)"). HED has the right, in its sole discretion, to disallow any such expenditure (not listed on Exhibit H) as a Prior Expenditure as of the date of this Agreement. Exhibit H identifies the prior expenditures approved by HED as Prior Expenditures; HED's approval of the Prior Expenditures listed on Exhibit H, however, does not constitute HED's approval of any such Prior Expenditures as TIF-Funded Improvements (other than the \$500,000 of TIF-Funded Improvements being reimbursed with City Funds on the Closing Date). Prior Expenditures made for items other than TIF-Funded Improvements will not be reimbursed to Developer but will reduce the amount of Equity and/or Lender Financing, if any, required to be contributed by Developer under Section 4.01.

(b) TIF District Administration Fee. The City may annually allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the North Pullman Redevelopment Area, including the Project. The foregoing fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and, to the extent Incremental Taxes are disbursed to the Developer pursuant to Section 4.03(d)(iii)(2), the City shall have the right to receive such funds only after payment to Developer of such Incremental Taxes.

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

4.07 Reserved.

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

(a) the representations and warranties contained in this Agreement are true and correct and Developer is in compliance with all covenants contained herein (including but not limited to Sections 8.08, 10.02 and 10.03 hereof);

(b) Developer has received no notice and has no knowledge of any lien or claim of lien either filed or threatened against the Property or the Project except for the Permitted Liens;

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

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. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including not limited to the requirements set forth in the TIF Ordinances and this Agreement.

ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING

The following conditions precedent to closing must be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

5.01 Project Budget. Developer will have submitted to HED, and HED will have approved, the Project Budget stated in Exhibit D-1, in accordance with the provisions of Section 3.03. This condition precedent has been satisfied prior to the date hereof.

5.02 Scope Drawings and Plans and Specifications. Developer will have submitted to HED, and HED will have approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02. This condition precedent has been satisfied prior to the date hereof.

5.03 Other Governmental Approvals. Not less than 5 Business Days prior to the Closing Date, Developer will have secured or applied for or provided HED with an application time schedule for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to HED.

5.04 Financing.

(a) Developer will have furnished evidence acceptable to the City that Developer has Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other financing sources, if any, stated in Section 4.01) to complete the Project.

(b) Reserved.

(c) Any financing liens against the Property or the Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in this Agreement under a subordination agreement, in the form of Exhibit O, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, in the Office of the Recorder of Deeds of Cook County.

5.05 Title. On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Property, showing Method as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit I and will evidence the recording of this Agreement under the provisions of Section 8.15. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding location, access, and survey. On or prior to the Closing Date, Developer will provide to HED documentation related to the Property and copies of all easements and encumbrances of record with respect to the Property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clear Title. Not less than 5 Business Days prior to the Closing Date, Developer, at its own expense, will have provided the City with current searches under Developer's name as follows:

Secretary of State (IL)	UCC search
Secretary of State (IL)	Federal tax lien search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax lien search
Cook County Recorder	State tax lien search
Cook County Recorder	Memoranda of judgments search
U.S. District Court (N.D. IL)	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 Surveys. If requested by HED, not less than 5 Business Days prior to the Closing Date, Developer will have furnished the City with 3 copies of the Survey.

5.08 Insurance. Developer, at its own expense, will have insured the Property as required under Article Twelve. At least 5 Business Days prior to the Closing Date, certificates required under Article Twelve evidencing the required coverages will have been delivered to HED.

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

5.10 Evidence of Prior Expenditures. Not less than 20 Business Days prior to the Closing Date, Developer will have provided evidence satisfactory to HED of the Prior Expenditures as provided in Section 4.05. Such evidence of Prior Expenditures may be updated to the Closing Date by Developer.

5.11 Financial Statements. Not less than 30 days prior to the Closing Date, Developer will have provided Financial Statements to HED for its 2011 and 2012 fiscal years, if available, and its most recently publicly available unaudited interim Financial Statements, in each case together with any opinions and management letters prepared by auditors.

5.12 Additional Documentation. Developer will have provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment profile, if requested by HED, and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds on the Property, if any.

5.13 Environmental Reports. Not less than 30 days prior to the Closing Date, Developer will provide HED with copies of all environmental reports or audits, if any, obtained by Developer with respect to the Property, together with any notices addressed to Developer from any agency regarding environmental issues at the Property. Prior to the Closing Date, Developer will have provided the City with a letter from the environmental engineer(s) who completed such report(s) or audit(s), authorizing the City to rely on such report(s) or audit(s).

5.14 Entity Documents; Economic Disclosure Statement.

(a) Entity Documents. Developer will provide a copy of its current Articles of Incorporation, with all amendments, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of Illinois and all other states, if any, in which Developer is registered to do business; its bylaws; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other organizational documentation as the City may request.

(b) Economic Disclosure Statement. Developer will provide the City an EDS, in the City's then current form, dated as of the Closing Date, which is incorporated by reference and Developer further will provide any other affidavits or certifications as may be required by Federal, State or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14

to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 Litigation. Developer has provided to Corporation Counsel and HED in writing, a description of all pending or threatened litigation or administrative proceedings: (a) involving Developer's property located in the City, (b) that Developer is otherwise required to publicly disclose or that may affect the ability of Developer to perform its duties and obligations under this Agreement, or (c) involving the City or involving the payment of franchise, income, sales or other taxes by such party to the State of Illinois or the City. In each case, the description shall specify the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance.

5.16 Method Contract. Developer has provided the City with a certified copy of the contract to sell the Property to Method (the "Method Contract"), and such contract complies with Sections 8.16(c), 8.17 and 18.27 hereof.

ARTICLE SIX: AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors.

(a) HED acknowledges that Developer may act as general contractor for all or a portion of the Project. To the extent Developer elects to engage a third party to provide general contractor or construction oversight services, the Developer's selection of such third party shall be subject to the City's approval (the "General Contractor"). Developer must solicit, or must cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City.

(b) For the TIF-Funded Improvements, Developer must select or cause the General Contractor to select the subcontractor submitting the lowest responsible and responsive bid who can complete the Project (or phase thereof) in a timely and good and workmanlike manner; provided, however, that Developer may consider a bidder's ability to meet the unique challenges of the Project in evaluating the "lowest responsible and responsive bid" rather than the lowest bid. If the General Contractor selects any subcontractor submitting other than the lowest responsible and responsive bid for the TIF-Funded Improvements, the difference between the lowest responsible and responsive bid and the bid selected may not be paid out of City Funds.

(c) Developer must submit copies of the Construction Contract to HED as required under Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements must be provided to HED within 20 Business Days of the execution thereof. Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by HED and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, Developer must deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to work on the TIF-Funded Improvements under Section 6.01 above, for HED's prior written approval. Within 10 Business Days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer must deliver to HED and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any work in the public way, if any, Developer will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better using the form of payment and performance bond form attached as Exhibit L. The City will be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. Developer will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten. The Parties acknowledge that the contracting, hiring and testing requirements for the MBE/WBE and City Residency obligations in Article Ten are applied by the City's monitoring staff on an aggregate basis, and that it shall not be an event of default under this Agreement, nor shall the payment of the City resident hiring shortfall amount be required, if the Developer or, as applicable, the General Contractor do not impose such obligations on each subcontractor, or if any one subcontractor does not satisfy such obligations, so long as such obligations are satisfied on an aggregate basis; provided, however, that City Funds shall not be disbursed hereunder unless compliance with Article Ten is evidenced on such an aggregate basis..

6.05 Other Provisions. In addition to the requirements of this Article Six, the Construction Contract and each contract with any subcontractor working on the Project must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (Developer's MBE/WBE Commitment), Article Twelve (Insurance) and Section 14.01 (Books and Records).

ARTICLE SEVEN: COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request (including (a) a final owner's sworn statement for the Project, and (b) Method's written approval or acceptance of the completed Project), HED will issue to Developer a certificate of completion of construction in recordable form (the "Certificate of Completion") certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement. HED will respond to Developer's written request for a Certificate of Completion within 30 days by issuing either a Certificate of Completion 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 of Completion. Developer may resubmit a written request for a Certificate of Completion upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate of Completion.

7.02 Effect of Issuance of Certificate of Completion; Continuing Obligations.

(a) The Certificate of Completion relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate of Completion, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate of Completion must not be construed as a waiver by the City of any of its rights and remedies under such executory terms.

(b) Those covenants specifically described at Section 8.16(c) (Real Estate Taxes) as covenants that run with the land comprising the Property are the only covenants in this Agreement intended to be binding throughout the Term of the Agreement upon any transferee of the Developer holding title to the Property or any portion thereof, regardless of whether or to what extent that owner is also an assignee of Developer as described in this paragraph and regardless of whether or not a Certificate of Completion has been issued. Unless a Certificate of Completion has been issued, those covenants specifically described at Section 8.02 (Covenant to Redevelop) as covenants that run with the land comprising the Property are the only other covenants in this Agreement intended to be binding throughout the Term of the Agreement upon any transferee of the Developer holding title to the Property or any portion thereof, regardless of whether or to what extent that owner is also an assignee of Developer as described in this paragraph. The other executory terms of this Agreement that remain after the issuance of a Certificate of Completion, specifically Sections 8.16(c), 8.17 and 18.27, will be binding only upon Method or a permitted assignee of Method.

7.03 Failure to Complete. If Developer fails to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies, in addition to those stated in Section 15.02.

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of the payment and performance bond form attached as Exhibit L, and, if such funds are insufficient, then from City Funds or other City monies. If the aggregate costs incurred by the City to complete the TIF-Funded Improvements exceeds the amount of funds described in the preceding sentence, Developer will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of those funds.

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

ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND
COVENANTS OF DEVELOPER.

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

(a) Developer is an Illinois not-for-profit corporation, duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) Developer 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 corporate action, and does not and will not violate its Articles of Incorporation as amended and supplemented, its bylaws, 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 or any of its assets is now or may become bound;

(d) Developer has acquired and will maintain good, indefeasible and merchantable fee simple title to the Property (and improvements located thereon) free and clear of all liens (except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget, and those liens otherwise bonded or insured over in accordance with the terms of this Agreement).

(e) Developer is now, and for the Term of the Agreement, will 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 or, to Developer's actual knowledge threatened or affecting Developer which would impair its ability to perform under this Agreement;

(g) Developer has and will maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to construct and complete 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 or any of its assets is bound beyond applicable notice and cure periods;

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

(j) prior to the issuance of a Certificate of Completion, if it would adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business, and except with respect to the sale of the Property to Method; (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 to the extent that such action would have an adverse effect on Developer's ability to perform its obligations under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition.

(k) Developer has not incurred and, prior to the issuance of a Certificate of Completion, will not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the Property other than the Permitted Liens; or incur any indebtedness secured or to be secured by the Property or the Project or any fixtures now or hereafter attached thereto;

(l) Developer 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 under City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended; and

(m) neither Developer nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons Lists, the Unverified List, the Entity List and the Debarred List.

8.02 **Covenant to Redevelop.** Upon HED's approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer will redevelop the Property and the Project in compliance with this Agreement and all exhibits attached hereto, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Property, the Project and/or Developer. The covenants set forth in this Section 8.02 will run with the land comprising the Property (as defined herein) and will be binding upon any transferee, until fulfilled as evidenced by the issuance of a Certificate of Completion.

8.03 **Redevelopment Plans.** Developer represents that the Project is and will be in compliance with all applicable terms of the Redevelopment Plans, as in effect on the date of this Agreement.

8.04 **Use of City Funds.** City Funds disbursed to Developer will be used by Developer solely to reimburse Developer for its payment for the TIF-Funded Improvements as provided in this Agreement.

8.05 Other Bonds. At the request of the City, Developer will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) any Bonds in connection with the Redevelopment Areas, the proceeds of which may be used to reimburse the City for expenditures made in connection with or provided a source of funds for the payment for the TIF-Funded Improvements (the "Bonds"); provided, however, that any such amendments will not have a material adverse effect on Developer or the Project. Developer will, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition (but not including proprietary sales and operating information), and assisting the City in its preparation of an offering statement with respect thereto. Developer will not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading.

8.06 Employment Opportunity.

(a) Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 (Prevailing Wage) and Article Ten (Developer's Employment Obligations). Developer will submit a plan to HED describing its compliance program prior to the Closing Date.

(b) Developer will deliver to the City written quarterly progress reports detailing compliance with the requirements of Sections 8.08, (Prevailing Wage) 10.02 (City Resident Construction Worker Employment Requirement) and 10.03 (Developer's MBE/WBE Commitment) of this Agreement. If any such reports indicate a shortfall in compliance, Developer will also deliver a plan to HED which will outline, to HED's satisfaction, the manner in which Developer will correct any shortfall.

8.07 Employment Profile. Developer will submit, and contractually obligate and cause the General Contractor to submit and contractually obligate any subcontractor to submit, to HED, from time to time, statements of its employment profile upon HED's request.

8.08 Prevailing Wage. Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the State Department of Labor (the "Labor Department"), to all of their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed under such contract, or alternatively Developer will provide applicable schedules evidencing wage rates paid. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City's request, Developer will provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.08.

8.09 Arms-Length Transactions. Unless HED shall have given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of City Funds,

directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer will provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to an Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon HED's request, prior to any such disbursement.

8.10 Financial Statements. Developer will obtain and provide to HED Financial Statements for 2011 and 2012, if available, and each year thereafter for the Term of the Agreement.

8.11 Insurance. Solely at its own expense, Developer will comply with all applicable provisions of Article Twelve (Insurance) hereof.

8.12 Non-Governmental Charges.

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

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.12); or

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

8.13 Developer's Liabilities. Developer will not enter into any transaction that would materially and adversely affect its ability to: (i) perform its obligations under this Agreement or (ii) repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer will immediately notify HED of any and all events or actions which

may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or under any other documents and agreements.

8.14 Compliance with Laws.

(a) Representation. To Developer's knowledge, after diligent inquiry, the Property and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property and the Project. Upon the City's request, Developer will provide evidence reasonably satisfactory to the City of such current compliance.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property or the Project, including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560, whether or not in performance of this Agreement. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

8.15 Recording and Filing. Developer will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Property. Such recordings shall be recorded prior to any mortgage made in connection with Lender Financing, if any. Developer will pay all fees and charges incurred in connection with any such recording. Upon recording, Developer will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.16 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Subject to subsection (ii) below, Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" means 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 relating to Developer, the Property or the Project, including but not limited to real estate taxes.

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or transfer or forfeiture of the Property or the Project. Developer's right to challenge real estate taxes applicable to the Property or the Project is limited as provided for in Section 8.16(c) below; provided, that such real estate taxes must be paid in full when due. No such contest or objection will be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay

any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to HED of Developer's intent to contest or object to a Governmental Charge and, unless, at HED's sole option:

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

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

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

(c) **Real Estate Taxes.**

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K; and (B) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit K.

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

(iii) No Reduction in Real Estate Taxes.

(A) Neither Developer, nor any person acting on behalf of Developer, will, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown on Exhibit K for the applicable year (nor shall the Developer, nor any person acting on behalf of Developer, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project if the assessed value of all or any portion of the Property or the Project is already below the amount of the Minimum Assessed Value as shown on Exhibit K for the applicable year). If the Developer or Method or any successor thereto violates this Section 8.16(c)(iii)(A) then the City shall be entitled to recover as a remedy two times the difference between the taxes that would have been generated from the Minimum Assessed Value and the actual amount of taxes paid in the applicable year for each and every year of the Term of the Agreement that any such difference results from such violation hereof.

(B) After diligent inquiry, Developer knows of no pending application, appeal or request for reduction of the assessed value of all or any portion of the Property or the Project filed by Developer for any tax year prior to or including the tax year in which this Agreement is executed.

(iv) No Objections. Neither Developer, nor any person acting by, through or on behalf of Developer, will object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under Assessment Complaint (as defined below) or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Under Assessment Complaint" as used in this Agreement means any complaint seeking to increase the assessed value of the Property or the Project.

(v) Covenants Running with the Land Comprising the Property. The parties agree that the restrictions contained in this Section 8.16(c) are covenants running with the land comprising the Property (as defined herein). This Agreement will be recorded by Developer against the Property as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions will be binding upon any owner of the Property, from and after the date hereof, provided however, that the covenants will be released upon the earlier of when the North Pullman Redevelopment Area is no longer in effect, or upon expiration of the Term of Agreement. Developer agrees that any sale, transfer, lease, conveyance, or transfer of title to all or any portion of the Property or the Project from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.16(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.16(c).

8.17 Annual Compliance Report. Developer, through the tenth anniversary of the issuance of the Certificate of Completion, and Method, through the Job Creation Period, shall

submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.18 Reserved.

8.19 Broker's Fees. Developer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.20 No Conflict of Interest. Under Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Areas or the Redevelopment Plans, or any consultant hired by the City, (a "City Group Member") owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member will 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, the Property, the Project, or to Developer's actual knowledge, any other property in the Redevelopment Areas.

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

8.22 No Business Relationship with City Elected Officials. Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision. Under Section 2-156-030(b) of the Municipal Code of Chicago, 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 official has a "Business Relationship" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of 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. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby. 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 thereby.

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

8.24 Prohibition on Certain Contributions – Mayoral Executive Order No. 2011-4. Neither Developer or any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5% ("Owners"), spouses and domestic partners of such Owners, Developer's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee during: (i) the bid or other solicitation process for this Agreement or Other Agreement, including while this Agreement or Other Agreement is executory, (ii) the term of this Agreement or any Other Agreement between City and Developer, and/or (iii) any period in which an extension of this Agreement or Other Agreement with the City is being sought or negotiated.

Developer represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

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

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

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Agreement for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Agreement, at law and in equity. This provision amends any Other Agreement and supersedes any inconsistent provision contained therein.

If applicable, if Developer violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, then HED may reject Developer's bid.

For purposes of this provision:

"Other Agreement" means any agreement entered into between the Developer and the City that is (i) formed under the authority of MCC Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a "political contribution" as defined in MCC Ch. 2-156, as amended.

"Political fundraising committee" means a "political fundraising committee" as defined in MCC Ch. 2-156, as amended.

8.25 Shakman Accord.

(a) The City is subject to the May 31, 2007 Order entitled "Agreed Settlement Order and Accord" (the "Shakman Accord") and the June 24, 2011 "City of Chicago Hiring Plan" (the "City Hiring Plan") entered in Shakman v. Democratic Organization of Cook County, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the Shakman Accord and the City Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

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

(c) Developer will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(d) In the event of any communication to Developer by a City employee or City official in violation of paragraph (b) above, or advocating a violation of paragraph (c) above, Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("IGO Hiring Oversight"), and also to the Commissioner of HED. Developer will also cooperate with any inquiries by IGO Hiring Oversight or the Shakman Monitor's Office related to this Agreement.

8.26 FOIA and Local Records Act Compliance.

(a) FOIA. 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 the FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If Developer receives a request from the City to produce records within the scope of FOIA, that would be otherwise required under this Agreement then Developer covenants to comply with such request within two (2) Business Days of the date of such request. Failure by Developer to timely comply with such request will be a breach of this Agreement.

(b) Exempt Information. Documents that Developer submits to the City under Section 8.20, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by 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 Developer marks a document as "proprietary, privileged and confidential", then HED will evaluate whether such document may be withheld under the FOIA. HED, 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. 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, Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act concerning records arising under or in connection with this Agreement and the transactions contemplated in the Agreement.

8.27 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Article Eight and elsewhere in this Agreement are true, accurate and complete at the time of Developer's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Article Seven upon the issuance of a Certificate of Completion) will be in effect throughout the Term of the Agreement.

ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY

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

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

ARTICLE TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. Developer, on behalf of itself and its successors and assigns, hereby agrees, and will contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer on the Project (collectively, with Developer, such parties are defined herein as the "Employers", and individually defined herein as 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:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time-to-time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

(c) Each Employer will comply with all applicable 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 State Human Rights Act, 775 ILCS 5/1-101 et. seq. (2006 State Bar Edition), as amended, and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, will 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 will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project, after the Closing Date, and will require inclusion of these provisions in every subcontract entered into by any subcontractors, after the Closing Date, and every agreement with any Affiliate operating on

the Property or at the Project, after the Closing Date, so that each such provision will be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

10.02 City Resident Construction Worker Employment Requirement.

(a) Developer agrees for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will 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 will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

(b) 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.

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

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

(e) Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of HED in triplicate, which will 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.

(f) Upon 2 Business Days prior written notice, Developer, the General Contractor and each subcontractor will provide full access to their employment records related to the construction of the Project to the Chief Procurement Officer, the Commissioner of HED, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

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

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

(i) When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Article concerning the worker hours performed by actual residents of the City 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 Article. 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 will be evidenced by approved contract value for the actual contracts) will be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

(j) Nothing herein provided will 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.

(k) Developer will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project, entered into after the Closing Date.

10.03 Developer's MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements stated in this section, will contractually obligate the General Contractor to agree that during the construction of the Project:

(a) Consistent with the findings which support, as applicable: (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program", and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the

extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as stated in Exhibit D-2) must be expended for contract participation by Minority-Owned Businesses ("MBEs") and by Women-Owned Businesses ("WBEs"):

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

(b) For purposes of this Section 10.03 only:

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

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of: (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10.03. In compliance with Section 2-92-730, Municipal Code of Chicago, Developer will not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of HED.

(d) Developer must deliver monthly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports will include, inter alia: the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Project, and the responses received from such solicitation; the name and business address of each MBE or WBE actually involved in the Project; a description of the work performed or products or services supplied; the date and amount of such work, product or service; and such other information as may assist the City's

monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer will maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least 5 years after completion of the Project, and the City's monitoring staff will have access to all such records maintained by Developer, on 5 Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

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

ARTICLE ELEVEN: ENVIRONMENTAL MATTERS

11.01 Environmental Matters. Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the

following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from: (A) all or any portion of the Property, or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

ARTICLE TWELVE: INSURANCE

12.01 Insurance Requirements. Developer's insurance requirements are stated in Schedule B which is hereby incorporated into this Agreement by reference and made a part of this Agreement.

ARTICLE THIRTEEN: INDEMNIFICATION

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

- (i) Any cost overruns as described in Section 4.06; or
- (ii) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (iii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or
- (iv) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plans or any other document related to this Agreement that is the result of information supplied or omitted by Developer or its agents, employees, contractors or persons acting under the control or at the request of Developer or any affiliate of Developer; or
- (v) Developer's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto; or
- (vi) any act or omission by Developer or any Affiliate of Developer;

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

ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. Developer will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project. The City shall provide three (3) Business Days' prior written notice to Developer in accordance with Section 17. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday.

14.02 Inspection Rights. Upon three (3) Business Days' notice, any authorized representative of the City shall have access to all portions of the Property or the Project during normal business hours for the Term of the Agreement. The City shall provide three (3) Business Days' prior written notice to Developer in accordance with Section 17. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours 9:00 a.m. and 5:00 p.m., Monday through Friday.

ARTICLE FIFTEEN: DEFAULT AND REMEDIES

15.01 Events of Default. Subject to the terms of Section 15.04 below, the occurrence of any one or more of the following events, subject to the provisions of Section 15.03, will constitute an "Event of Default" by Developer hereunder:

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

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

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

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

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

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

(g) the entry of any judgment or order against Developer, not covered by insurance for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

(h) [reserved];

(i) the dissolution of Developer or Developer's ultimate parent entity, if any;

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

(k) [reserved]; or

(l) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code;

such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

For purposes of Section 15.01(j), hereof, a natural person with a material interest in Developer is one owning in excess of seven and a half percent (7.5%) of Developer's or Developer's ultimate parent entity, if any, issued and outstanding ownership shares or interests. For purposes of Section 15.01, "ultimate parent entity" does not mean a person or entity that is a Member of Developer.

15.02 Remedies. Upon the occurrence of an Event of Default by Developer, the City may terminate this Agreement and all related agreements, may suspend disbursement of City Funds and, subject to the terms of Section 15.04 below, recover 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, including, but not limited to, injunctive relief or the specific performance of the agreements contained herein. To the extent permitted by law, the City may also lien the Property.

15.03 Curative Period.

(a) In the event Developer fails to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless Developer or a Lender has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer fails to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless Developer or Lender has failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day period, Developer will not be deemed to have committed an Event of Default under this Agreement if the Developer or a Lender has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

15.04 Defaults by Method. Notwithstanding anything to the contrary contained herein, the occurrence of any of the events described in Section 15.01 by Method with respect to the matters contained in Section 8.16(c), Section 8.17, and Section 18.27 shall apply solely to Method and not to Developer, and Developer shall not be deemed in default with respect to such matters nor have responsibility or liability hereunder in connection with such defaults, nor shall the City seek any remedies against the Developer, including termination hereof, suspension of disbursement of City Funds to the Developer, or recovery of City Funds from the Developer, and the City shall, with respect to such defaults, seek any remedies pursuant to Section 15.02 and Section 18.27 or otherwise from and against Method only and not from and against Developer.

ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT

16.01 Mortgaging of the Project. Any and all mortgages or deeds of trust in place as of the date hereof with respect to the Property or Project or any portion thereof are listed on Exhibit I hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, if any) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof without obtaining the prior written consent of the City is referred to herein as a "New Mortgage." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and Developer as follows:

(a) If a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but will not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party will be entitled to no rights or benefits under this Agreement, but such party will be bound by those provisions of this Agreement that are covenants expressly running with the land comprising the Property (as defined herein).

(b) Notwithstanding any provision of this Agreement to the contrary, the exercise of the remedies of foreclosure of a mortgage or any sale of Developer's interest in the Property in connection with a foreclosure, whether by judicial proceedings or by virtue of any power of sale contained in the mortgage, or any conveyance of Developer's interest in the Property to the mortgagee or its nominee or designee by virtue of or in lieu of foreclosure or other appropriate proceedings, or any conveyance of Developer's interest in the Property by the mortgagee or its nominee or designee, or any other exercise of remedies under the documents evidencing Lender Financing shall not require the consent or approval of the City or constitute a breach of any provision of or a default under this Agreement.

(c) If any mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of "Developer" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of Developer which occurred prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such

party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(d) Prior to the issuance by the City to Developer of a Certificate of Completion under Article Seven hereof, no New Mortgage will be executed with respect to the Property or the Project or any portion thereof without the prior written consent of the Commissioner of HED. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate of Completion, consent of the Commissioner of HED is not required for any such New Mortgage.

ARTICLE SEVENTEEN: NOTICES

17.01 Notices. All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified U.S. Mail, return receipt requested; (c) be given at the following respective addresses:

If to the City: City of Chicago
Department of Housing and Economic Development
Attn: Commissioner
121 North LaSalle Street, Room 1000
Chicago, IL 60602
312/744-4190 (Main No.)
312/744-2271 (Fax)

With Copies To: City of Chicago
Corporation Counsel
Attn: Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602
312/744-0200 (Main No.)
312/742-0277 (Fax)

If to Developer: Chicago Neighborhood Initiatives, Inc.
10000 E. 111th Street – 10th Floor
Chicago, IL 60628
Attn: David Doig

With Copies To: DLA Piper LLP (US)
203 North LaSalle Street
19th Floor
Chicago, IL 60601
Attn: David L. Reifman, Esq.
Mariah F. DiGrino, Esq.

If to Method: People Against Dirty Property Management, LLC
637 Commercial Street, Floor 3
San Francisco, CA 94111
Attn: Garry Embleton

With Copies To: Law Offices of Rolando R. Acosta, P.C.
2949 W. Gregory St.
Chicago, IL 60625
Attn: Rolando R. Acosta, Esq.

or at such other address or telecopier/fax or telephone number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

17.02 Developer Requests for City or HED Approval. Any request under this Agreement for City or HED approval submitted by Developer will comply with the following requirements:

- (a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);
- (b) expressly state the particular document and section thereof relied on by Developer to request City or HED approval;
- (c) if applicable, note in bold type that failure to respond to Developer's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or HED;
- (d) if applicable, state the outside date for the City's or HED's response; and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of Developer's request.

ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS

18.01 Amendments. This Agreement and the Schedules and Exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties; provided, however, that the City in its sole discretion, may amend, modify or supplement the Redevelopment Plans. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plans as in effect on the date of this Agreement. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than 90 days.

18.02 Complete Agreement, Construction, Modification. This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter. This Agreement and the Schedules and Exhibits attached hereto may not be contradicted by evidence of prior, contemporaneous, or subsequent verbal agreements of the parties. There are no unwritten verbal agreements between the parties.

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

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

18.05 Waivers. No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

18.07 Parties in Interest/No Third Party Beneficiaries. The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto, including, with respect to Sections 8.17 and 18.27, Method. This Agreement will 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. Nothing contained in this Agreement, nor any act of the City, Developer or Method, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

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

18.09 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had

signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

18.10 Counterpart Facsimile Execution. For purposes of executing this Agreement, a document signed and transmitted by facsimile machine will be treated as an original document. The signature of any party thereon will be considered as an original signature, and the document transmitted will be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document will be re-executed by other parties in original form. No party hereto may raise the use of a facsimile machine as a defense to the enforcement of this Agreement or any amendment executed in compliance with this section. This section does not supersede the requirements of Article Seventeen: Notices.

18.11 Severability. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is 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 will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.12 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

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

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

18.15 Assignment. Prior to the issuance by the City to Developer of a Certificate of Completion, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however, that Developer may assign, on a collateral basis, the right to receive City Funds to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any successor in interest to Developer under this Agreement (excluding any Lender that has been assigned only the right to received City Funds on a collateral basis) will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.16(c) (Real Estate Taxes) and Section 8.25 (Survival of Covenants) hereof, for the Term of the Agreement. Developer hereby consents to the City's assignment or other transfer of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement is binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein).

18.17 Force Majeure. Neither the City nor Developer nor any successor in interest to either of them will 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, war, acts of terrorism, imposition of martial law, plague or other illness, bank holidays, or stock or commodity exchange closures or wire transfer interruptions, capital controls, civil disorders, rebellions or revolutions, strike, shortage of material, power interruptions or blackouts, cyber-attacks, electromagnetic pulse ("EMP") attacks, fuel shortages or rationing, 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, except to the extent that, the non-performing party is at fault in failing to prevent or causing such default or delay; and provided that such default or delay cannot reasonably be circumvented by the non-performing party through the use of alternative sources, work around plans or other means. The individual or entity relying on this section with respect to any such delay will, 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 affected by any such events described above.

18.18 Exhibits and Schedules. All of the exhibits and schedules to this Agreement are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.19 Business Economic Support Act. Under the Business Economic Support Act (30 ILCS 760/1 et seq. (2006 State Bar Edition), as amended), if Developer is required to provide notice under the WARN Act, Developer will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

18.21 Construction of Words. The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to."

18.22 Date of Performance. If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State Law, the date for such performance will be the next succeeding Business Day.

18.23 Survival of Agreements. All covenants and agreements of the parties contained in this Agreement will survive the Closing Date in accordance with the provisions of this Agreement.

18.24 Equitable Relief. In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

18.25 Venue and Consent to Jurisdiction. 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 and the United States District Court for the Northern District of Illinois.

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

18.27 Jobs, Occupancy and Operations.

(a) Upon completion of certain initial work on the Project, Method shall purchase the Property from Developer and construct a manufacturing and distribution facility thereon (the "Method Facility"). In the event Method fails to so purchase the Property in accordance with the Method Contract or so construct a manufacturing and distribution facility thereon by December 31, 2014, either such failure shall be considered an Event of Default by Method, and Method hereby agrees and shall be obligated to reimburse the City \$8,100,000 plus interest.

(b) The following terms shall have the meanings set forth below for purposes of this Section 18.27:

"Closure" shall mean the cessation of the occupancy and operation of the Method Facility by Method at any time during the Occupancy Period. Closure shall not include the cessation of the occupancy and operation of the Method Facility by Method at any time during the Occupancy Period where such cessation is caused by: (a) a Force Majeure Event; or (b) periodic or seasonal vacation periods in the normal course of Method's business (not to exceed twenty-one days each).

"Closure Default" shall mean Closure during the Occupancy Period.

"Commencement Date" shall mean the date on which the City issues a certificate of occupancy for the Method Facility.

"Compliance Period" shall mean, collectively, the Job Creation Period and the Occupancy Period.

"Full-Time Equivalent" shall mean shall mean positions pursuant to which an employee or employees are working for Method on, at or from Method Facility, individually or in aggregate, an average of 35 hours per week (taking into account personal days and permitted vacations) during a given calendar year.

"Job Creation Cure Period" shall mean the Job Creation Period Year following a Job Creation Period Year in which a Job Creation Default occurs, during which period the previous Job Creation Default may be cured. Only one Job Creation Cure Period shall be allowed.

"Job Creation Default" shall mean failure to maintain the Minimum Job Creation during the Job Creation Period for any reason other than Force Majeure Events.

"Job Creation Period" shall mean the ten-year period of time from the Commencement Date through and including the tenth anniversary of the Commencement Date (as may be extended to accommodate a Job Creation Cure Period).

"Job Creation Period Year" shall mean any year within the Job Creation Period beginning on the Commencement Date (for the first Job Creation Period Year) or an anniversary thereof (for the second through tenth Job Creation Period Years)

"Job Creation Report" shall mean an annual progress report provided to HED by Method detailing Method's compliance with the requirement to maintain the Minimum Job Creation.

"Minimum Job Creation" shall mean the creation and retention of not less than 55 Full-Time Equivalent, permanent jobs by Method at, on or from the Method Facility by not later than the end of the first Job Creation Period Year.

"Occupancy Period" shall mean the ten-year period of time from the Commencement Date through and including the tenth anniversary of the Commencement Date.

"Occupancy Period Year" shall mean any year within the Occupancy Period beginning on the Commencement Date (for the first Occupancy Period Year) or an anniversary thereof (for the second through tenth Occupancy Period Years).

(c) Method shall maintain 65 Full-Time Equivalent, permanent jobs by Method at, on or from the Method Facility by not later than the end of the first Job Creation Period Year. Method shall retain its bottler on-site at the Method Facility, which bottler is expected to employ at least 20 Full-Time Equivalent, permanent jobs.

(d) Method shall occupy and operate the Method Facility through the Occupancy Period.

(e) The covenants set forth in Section 18.27(c-d) shall run with the land and be binding upon Method and any subsequent transferee of Method.

(f) The occurrence of a Closure Default and/or a Job Creation Default, subject to the provisions of Sections 18.27(g-h) (including but not limited to the provision of notice by the City and, as to a Job Creation Default only, the expiration of the applicable cure period both required by Section 18.27(h)) shall constitute a "Section 18.27 Event of Default" hereunder.

(g) Remedies. This Section 18.27(g) shall be subject to Section 18.27(h) below. In no event shall an uncured Event of Default under this Section 18.27 be considered an Event of Default by Developer, nor shall the City seek any remedies against Developer, including to collect any amounts due from Method as a result of a Section 18.27 Event of Default, terminate this Agreement, or suspend disbursement of City Funds to Developer or recover City Funds from Developer in connection with any Section 18.27 Event of Default.

- (i) Upon the occurrence of an uncured Section 18.27 Event of Default during the first three years (1-3) of the Compliance Period, Method shall be obligated to reimburse the City \$8,100,000.
- (ii) Upon the occurrence of an uncured Section 18.27 Event of Default during the next five years (4-8) of the Compliance Period, Method shall be obligated to reimburse the City \$6,100,000.
- (iii) Upon the occurrence of an uncured Section 18.27 Event of Default during the remaining years of the Compliance Period following the eight years identified above, Method shall be obligated to reimburse the City \$3,100,000.
- (iv) Additionally, upon each and any failure to submit an Annual Compliance Report pursuant to Section 8.17 hereof Method shall be obligated to reimburse the City \$500,000.

(h) Curative Period. (i) One Job Creation Cure Period shall be allowed to cure one Job Creation Default. The cure of such Job Creation Default shall be evidenced to HED's satisfaction prior to the close of the applicable Job Creation Cure Period. A second or subsequent Job Creation Default shall not be subject to cure.

(ii) No cure period shall be permitted in the event of a Closure Default.

(iii) The Job Creation Cure Period may be extended within the sole and absolute discretion of the Commissioner.

[The remainder of this page is intentionally left blank and the signature page follows]

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

CHICAGO NEIGHBORHOOD INITIATIVES, INC,
an Illinois not-for-profit corporation

By: _____

David Doig
President

CITY OF CHICAGO

By:  _____

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

Limited Joinder of People Against Dirty Property Management, LLC

People Against Dirty Property Management, LLC, a Delaware limited liability company, ("Method"), has caused this Limited Joinder hereto to be signed on behalf of itself, and hereby joins solely for the purpose of making those obligations, covenants and promises of performance which are made by and to the extent applicable to Method in Sections 8.16(c), 8.17 and 18.27 hereof.

People Against Dirty Property Management, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

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

CHICAGO NEIGHBORHOOD INITIATIVES, INC., an Illinois not-for-profit corporation

By:



Name: DAVID DOIG

Title: PRESIDENT

CITY OF CHICAGO

By:

Name:
Commissioner,
Department of Housing and Economic Development

Limited Joinder of People Against Dirty Property Management, LLC

People Against Dirty Property Management, LLC, a Delaware limited liability company ("Method"), has caused this Limited Joinder hereto to be signed on behalf of itself, and hereby joins solely for the purpose of making those obligations, covenants and promises of performance which are made by and to the extent applicable to Method in Sections 8.16(c), 8.17 and 18.27 hereof.

People Against Dirty Property Management, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

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

CHICAGO NEIGHBORHOOD INITIATIVES, INC.,
an Illinois not-for-profit corporation

By:

Name:

Title:

CITY OF CHICAGO

By:

Name:

Commissioner,
Department of Housing and Economic Development

Limited Joinder of People Against Dirty Property Management, LLC


People Against Dirty Property Management, LLC, a Delaware limited liability company ("Method"), has caused this Limited Joinder hereto to be signed on behalf of itself, and hereby joins solely for the purpose of making those obligations, covenants and promises of performance which are made by and to the extent applicable to Method in Sections 8.16(c), 8.17 and 18.27 hereof.

People Against Dirty Property Management, LLC,
a Delaware limited liability company

By:

Name: PAUL YEE, TREASURER

Title:



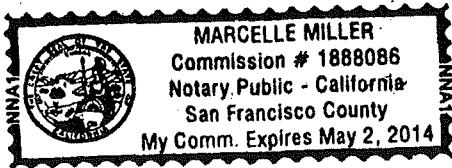
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of SAN FRANCISCO

On DECEMBER 5, 2008 before me, MARCELLE M MILLER, NOTARY PUBLIC

personally appeared PAUL T YEE



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Marcelle M. Miller

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Individual Individual

Partner — Limited General Partner — Limited General

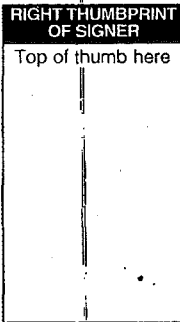
Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: _____ Other: _____

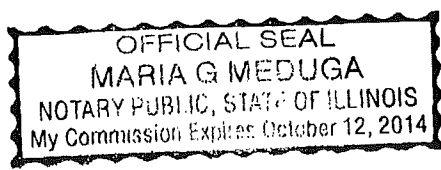
Signer Is Representing: _____ Signer Is Representing: _____



STATE OF)
) SS
COUNTY OF)

I, Maria G. Meduga, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David Doig personally known to me to be the President of Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 5th day of December, 2013.



Notary Public Maria G. Meduga

My Commission Expires October 12, 2014

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

GIVEN under my hand and official seal this 8th day of DECEMBER, 2013.



Patricia Sulewski
Notary Public

My Commission Expires 5/7/14

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

SCHEDULE A

DEFINITIONS

For purposes of this Agreement the following terms shall have the meanings stated forth below:

"Acquisition" has the meaning defined in Recital D.

"Act" has the meaning defined in Recital B.

"Actual Residents of the City" has the meaning defined for such phrase in Section 10.02(c).

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

"Agreement" has the meaning defined in the Agreement preamble.

"Annual Compliance Report" shall mean a signed report from Developer and Method to the City: (a) itemizing each of Developer's and Method's respective obligations under the Agreement during the preceding calendar year; (b) certifying Developer's and Method's respective compliance or noncompliance with such obligations; (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance; and (d) certifying that Developer and Method are not in default beyond applicable notice and cure periods with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.13); (2) delivery of updated insurance certificates, if applicable (Section 8.11); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.12); (4) compliance with the Jobs, Occupancy and Operations covenants (Section 18.27); and (5) compliance with all other executory provisions of the Agreement.

"Bonds" has the meaning defined in Section 8.05.

"Bond Ordinance" means the City Ordinance authorizing the issuance of Bonds.

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

"Certificate of Completion" has the meaning defined in Section 7.01.

"Change Order" means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.03, 3.04 and 3.05.

"Chicago Neighborhood Initiatives" has the meaning defined in the Agreement Preamble.

"City" has the meaning defined in the Agreement preamble.

"City Contract" has the meaning defined in Section 8.01(l).

"City Council" means the City Council of the City of Chicago as defined in Recital C.

"City Funds" means the funds described in Section 4.03(a).

"City Group Member" has the meaning defined in Section 8.20.

"City Requirements" has the meaning defined in Section 3.07.

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

"Commissioner" or "Commissioner of HED" means that individual holding the office and exercising the responsibilities of the Commissioner or Acting Commissioner of the City's Department of Housing and Economic Development and any successor City Department.

"Contribution" and "political contribution" each has the meaning defined in Section 8.24.

"Construction Contract" means that certain contract substantially in the form of Exhibit G, to be entered into between Developer and the General Contractor (as defined below) providing for construction of, among other things, the TIF-Funded Improvements. The parties to this Agreement may agree that the Construction Contract may be provided after Closing Date.

"Construction Program" has the meaning defined in Section 10.03(a).

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

"Developer" has the meaning defined in the Agreement preamble.

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

"Employer(s)" has the meaning defined in Section 10.01.

"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 of Chicago (as defined below), and including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

"Equity" means funds of Developer (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.06 (Cost Overruns).

"Event of Default" has the meaning defined in Section 15.01.

"Excess Profit" has the meaning defined in Section 4.05(c).

"Existing Mortgages" has the meaning defined in Section 16.01.

"Financial Statements" means the financial statements regularly prepared by Developer, if any, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, for business enterprises operating for profit in the United States of America, and also includes financial statements (both audited and unaudited) prepared by a certified public accountant, together with any audit opinion and management letter issued by Developer's auditor.

"General Contractor" means the general contractor(s) hired by Developer under Section 6.01.

"Governmental Charge" has the meaning defined in Section 8.16(a)(i).

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

"HED" has the meaning defined in the Agreement preamble.

"Human Rights Ordinance" has the meaning defined in Section 10.01(a).

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

collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the North Pullman Redevelopment Project Area Special Tax Allocation Fund, and shall also include funds which the City shall transfer into the North Pullman Redevelopment Project Area Special Tax Allocation Fund pursuant to Section 5/11-74.4-4(q) of the Act from the following redevelopment project areas in the amounts indicated:

Redevelopment Project Area	Not to Exceed Amount
Lake Calumet Area Industrial	\$5,600,000
Roseland/Michigan Avenue	\$1,000,000
Stony Island Commercial and Burnside Industrial Corridors	\$1,500,000

"Indemnitee" and "Indemnites" have the respective meanings defined in Section 13.01.

"Labor Department" has the meaning defined in Section 8.08.

"Lender" means a provider of Lender Financing.

"Lender Financing" means funds borrowed by Developer from lenders, if any, and available to pay for costs of the Project, in the amount stated in Section 4.01.

"MBE(s)" has the meaning defined in Section 10.03(b).

"MBE/WBE Program" has the meaning defined in Section 10.03(a).

"Minimum Assessed Value" has the meaning defined in Section 8.16(c)(i).

"Minority-Owned Business" has the meaning defined in Section 10.03(b).

"MOPD" has the meaning defined in Section 3.13.

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

"New Mortgage" has the meaning defined in Section 16.01.

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

"North Pullman Redevelopment Project Area Special Tax Allocation Fund" means the special tax allocation fund created by the City in connection with the North Pullman Redevelopment Area into which the Incremental Taxes (as defined below) will be deposited.

"North Pullman TIF Adoption Ordinance" has the meaning stated in Recital C.

"Other Agreement" has the meaning defined in Section 8.24.

"Permitted Liens" means those liens and encumbrances against the Property and/or the Project stated in Exhibit I.

"Permitted Mortgage" has the meaning defined in Section 16.01.

"Plan Adoption Ordinance" has the meaning defined in Recital C.

"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.

"Political fundraising committee" has the meaning defined in Section 8.24.

"Prior Expenditure(s)" has the meaning defined in Section 4.04.

"Procurement Program" has the meaning defined in Section 10.03(a).

"Project" has the meaning defined in Recital D.

"Project Budget" means the budget stated in Exhibit D-1, showing the total cost of the Project by line item, as furnished by Developer to HED, in accordance with Section 3.03.

"Property" has the meaning defined in Recital D.

"Redevelopment Areas" means the North Pullman Redevelopment Project Area and the Lake Calumet Area Industrial Redevelopment Project Area as legally described in Exhibit A, and defined in Recital C.

"Redevelopment Plans" has the meaning defined in Recital E.

"Redevelopment Project Costs" means redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget stated in the Redevelopment Plans or otherwise referenced in the Redevelopment Plans.

"Requisition Form" has the meaning defined in Section 4.03(a).

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

"State" means the State of Illinois as defined in Recital A.

"Survey" means a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property meeting the 2011 minimum standard detail requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, 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 any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing, if any).

"Term of the Agreement" means the period of time commencing on the Closing Date and ending on December 31, 2033 (such date being the last date of the calendar year in which taxes levied in the year that is 23 years after the creation of the North Pullman Redevelopment Area are paid) or such later date as the North Pullman Redevelopment Area expires in accordance with the North Pullman TIF Ordinances.

"TIF Bonds" has the meaning defined for such term in Recital F.

"TIF Bond Ordinance" has the meaning stated in Recital F.

"TIF Bond Proceeds" has the meaning stated in Recital F.

"TIF District Administration Fee" has the meaning described in Section 4.05(b).

"TIF-Funded Improvements" means those improvements of the Project listed in Exhibit E, all of which have been determined by the City prior to the date hereof to be qualified Redevelopment Project Costs and costs that are eligible under the Redevelopment Plans for reimbursement by the City out of the City Funds, subject to the terms of this Agreement.

"TIF Ordinances" has the meaning stated in Recital C.

"Title Company" means that Chicago Title Insurance Company or such other title insurance company agreed to by Developer and the City.

"Title Policy" means a title insurance policy in the most recently revised ALTA or equivalent form, showing Method 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.

"Under Assessment Complaint" has the meaning set forth in Section 8.16(c)(iv).

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

"WBE(s)" has the meaning defined in Section 10.03(b).

"Women-Owned Business" has the meaning defined in Section 10.03(b).

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

SCHEDULE B

ARTICLE TWELVE: INSURANCE REQUIREMENTS

12.01 Insurance. Developer will provide and maintain, or cause to be provided and maintained, at Developer's own expense, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement

(i) Workers' Compensation and Employers Liability Insurance

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

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

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

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

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or rail transit property or within 50 feet of railroad or rail transit property, contractor must provide, or cause to be provided with respect to the operations that the contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance

When the contractor undertakes any construction, including improvements, betterments, and/or repairs, Developer must cause each contractor to provide, or cause to be provided All Risk Blanket Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the Project. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable, flood including surface water backup. The City will be named as an additional insured and loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Developer must cause such parties to maintain Professional Liability Insurance covering acts, errors, or omissions which shall be maintained with limits of not less than \$1,000,000. Coverage must include

contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work performed in connection with this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 2 years.

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement by Developer's architects, contractors, sub-contractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 1 year. The City is to be named as an additional insured on a primary, non-contributory basis.

(ix) Blanket Crime

Developer must provide Crime Insurance or equivalent covering all persons handling funds under this Agreement, against loss by dishonesty, robbery, destruction or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover losses in the amount of the maximum monies collected or received and in the possession of Developer at any given time.

(c) Other Insurance Required.

(i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Project. The City is to be named as an additional insured.

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Project. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City is to be named as an additional insured.

(d) Other Requirements

- (i) Developer will furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer must not be deemed to be a waiver by the City. Developer will advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance will not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.
- (ii) The insurance will provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.
- (iii) Any and all deductibles or self-insured retentions on referenced insurance coverages are borne by Developer.
- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.
- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self-insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.
- (vii) The required insurance will not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.
- (viii) Developer will require its general contractor and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein.

- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.
- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements.

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT A

REDEVELOPMENT AREAS LEGAL DESCRIPTION

A legal description of the Redevelopment Areas is attached to this exhibit cover sheet.

Exhibits "A" and "B" referred to in this ordinance read as follows:

Exhibit "A".

*North Pullman T.I.F.
Legal Description.*

All that part of Sections 10, 11 and 15 in Township 37 North, Range 14 East of the Third Principal Meridian and that part of Section 14 north of the Indian Boundary Line in Township 37 North, Range 14 East of the Third Principal Meridian described as follows:

beginning at the point of intersection of the south line of the southwest quarter of said Section 10 and the southerly extension of the east line of South Indiana Avenue; thence north along said southerly extension and along the east line of South Indiana Avenue to the north line of the 16 foot public alley lying north of East 103rd Street; thence east along said north line of the 16 foot public alley lying north of East 103rd Street and along the easterly extensions thereof to the westerly line of South Dauphin Avenue; thence northerly along said westerly line of South Dauphin Avenue and the northerly extensions thereof to the north line of East 100th Street; thence east along said north line of East 100th Street to the westerly line of the Illinois Central Railroad right-of-way; thence northerly along said westerly line of the Illinois Central Railroad right-of-way to the north line of the southeast quarter of said Section 10; thence east along the north line of the southeast quarter of said Section 10 to the easterly line of the Michigan Central Railroad right-of-way; thence southerly along said easterly line of the Michigan Central Railroad right-of-way to the north line of the parcel of property bearing Permanent Index Number 25-10-419-013 extended west; thence east along said westerly extension of the north line of the parcel of property bearing Permanent Index Number 25-10-419-013 to the easterly line of South Cottage Grove Avenue; thence southerly along said easterly line of South Cottage Grove Avenue to the north line of the parcel of property bearing Permanent Index Number 25-10-419-004, being the north line of Gately Park; thence east along said north line of the southeast quarter of said Section 10 to the northerly extension of the easterly line of South Cottage Grove Avenue; thence southerly along said northerly extension of South Cottage Grove Avenue and along the easterly line thereof to the north line of the parcel of property bearing Permanent Index Number 25-10-419-004, being the north line of Gately Park; thence east along said north line of Gately Park to a point on the west line of said Section 11, being 1,064.05 north of the south line thereof; thence continuing east along the north line of Gately Park to the east line of Gately Park, being a line 616.95 feet east of the west line of said Section 11; thence south along said east line of Gately Park to a point on the north line of the south 1,025.46 feet of the southwest quarter of said Section 11; thence east along said north line of the south 1,025.46 feet of the southwest quarter of said Section 11, being a line 100 feet north of and parallel with the north line of the tract of land conveyed to the Defense Plant Corporation by deed dated June 16, 1941 and recorded June 17, 1941 as Document Number 12704008 in book 3674, page 248 thereof, to a point 961.95 feet east of the west line of said

southwest quarter of Section 11; thence south 00 degrees, 09 minutes, 10 seconds east, 85 feet; to the north line of the south 940.47 feet of said southwest quarter of Section 11; thence east, 165 feet, along said north line of the south 940.47 feet of the southwest quarter of Section 11; thence south 00 degrees, 09 minutes, 10 seconds east, 15 feet, to a line 925.47 feet north of and parallel with the south line of said Section 11; thence east on said line 925.47 feet north of and parallel with the south line of said Section 11, 1,392.62 feet; thence north 44 degrees, 02 minutes, 25 seconds east, 50.88 feet to the south line of the Dan Ryan Expressway; thence southeasterly along said south line of the Dan Ryan Expressway to the westerly line of the Pullman Railroad Company's right-of-way bearing the Permanent Index Number 25-11-501-003; thence southerly along said westerly line of the Pullman Railroad Company's right-of-way bearing Permanent Index Number 25-11-501-003 to the north line of East 103rd Street; thence east along said north line of East 103rd Street to the easterly line of the Pullman Railroad Company's right-of-way bearing Permanent Index Number 25-11-501-003; thence northerly along said easterly line of the Pullman Railroad Company's right-of-way bearing Permanent Index Number 25-11-501-003 to the north line of the south 517 feet of said Section 11; thence east along said north line of the south 517 feet of said Section 11 to a line 50 feet west of and parallel with the southeast quarter of said Section 11; thence north along said parallel line to a point 678 feet north of (as measured along said parallel line) of the south line of said Section 11, being the most northwesterly corner of the parcel of property bearing the Permanent Index Number 25-11-300-035; thence northeasterly along the northwesterly line of said parcel of property bearing the Permanent Index Number 25-11-300-035 to the most northerly corner thereof, being a point on the east line of the west 20 feet of the southeast quarter of said Section 11; thence south along said east line of the west 20 feet of the southeast quarter of said Section 11 to a point 441.07 feet north of and 20 feet east of the southwest corner of said southeast quarter of Section 11 (as measured on the west line, thereof, on a line at right angles, thereto); thence southerly to a point on the west line of said southeast quarter of Section 11, 40 feet north of the north line of the south 57 feet thereof; thence southwesterly to a point on said north line of the south 57 feet of Section 11, 40 feet west of the west line of the southeast quarter thereof; thence west along said north line of the south 57 feet of Section 11 to the east line of the west 29.5 feet of the east 79.5 feet of the southwest quarter of said Section 11; thence south along said east line of the west 29.5 feet of the east 79.5 feet of the southwest quarter of said Section 11 to the north line of East 103rd Street (47 feet north of the south line of said Section 11); thence east along said north line of East 103rd Street to the east line of the southwest quarter of said Section 11; thence south along said east line of the southwest quarter of Section 11, being also a west line of said parcel of property bearing the Permanent Index Number 25-11-400-006, to the intersection with the southeasterly line of said parcel; thence northeasterly along said southeasterly line of property bearing the Permanent Index Number 25-11-400-006 to the north line of East 103rd Street, being 47 feet north of the south line of the southeast quarter of said Section 11; thence east along said north line of East 103rd Street to the east line of the northeast quarter of said Section 14; thence south along said east line of the northeast quarter of Section 14 to the southeasterly line of South Doty Avenue; thence southwesterly along said southeasterly line of South Doty Avenue to the easterly extension of the northerly line of the parcel of property bearing Permanent Index Number 25-14-300-010; thence westerly along said easterly extension and along the

northerly line, thereof, to the westerly line of said parcel of property bearing Permanent Index Number 25-14-300-010; thence southerly along the westerly line of said parcel of property bearing Permanent Index Number 25-14-300-010, forming an angle 90 degrees, 03 minutes, 28 seconds from the east to south from the northerly line of said parcel, 1,040.43 feet to the north line of East 111th Street; being a line drawn parallel with and 50 feet north of the south line of said Section 14; thence west along said north line of East 111th Street, 435.68 feet to the west line of the southwest quarter of said Section 14; thence north along said west line of the southwest quarter of Section 14 to a point on the easterly line the Rock Island right-of-way, said point being 814.55 feet north of the north line of said East 111th Street; thence northerly along said easterly line of the Rock Island Railroad right-of-way to the north line of the southwest quarter of said Section 14; thence west along said north line of the southwest quarter of said Section 14 to the westerly line of the Rock Island Railroad right-of-way, being also the easterly line of Lot 2 in Enjay Construction Company's Pullman Industrial District, being a subdivision of parts of the west half of Section 14 and the east half of Section 15 aforesaid, extended southerly; thence northerly along said easterly line of Lot 2 in Enjay Construction Company's Pullman Industrial District aforesaid, to the northeasterly line of said Lot 2; thence northwesterly and west along said northeasterly line of Lot 2 in Enjay Construction Company's Pullman Industrial District aforesaid, to the east line of said Lot 2; thence north along said east line of Lot 2 in Enjay Construction Company's Pullman Industrial District aforesaid, to the south line of East 106th Street; thence east along said south line of East 106th Street to the east line of South Maryland Avenue; thence north along the east line of South Maryland Avenue to the north line of East 106th Street extended east; thence west along said north line of East 106th Street extended east and along the north line thereof to the west line of South Langley Avenue; thence south along said west line of South Langley Avenue extended south to the north line of East 108th Street; thence west along said north line of East 108th Street to the northerly extension of the east line of Lot 1 in Lyn Hughes North Pullman Subdivision of part of the southeast quarter of Section 15 aforesaid; thence south along said northerly extension and along the east line of Lot 1 in Lyn Hughes North Pullman Subdivision to the south line of said Lot 1; thence west along said south line of Lot 1 in Lyn Hughes North Pullman Subdivision and along the westerly extension, thereof, to the west line of South Cottage Grove Avenue; thence southerly along said west line of South Cottage Grove Avenue and said east line extended south to the south line of the southeast quarter of said Section 15; thence west along said south line of the southeast quarter of said Section 15 to the westerly line of the Illinois Central Railroad Parcel bearing Permanent Index Number 25-15-501-002; thence northerly along said westerly line of Illinois Central Railroad Parcel bearing Permanent Index Number 25-15-501-002 to the north line of the southeast quarter of said Section 15; thence west along said north line of the southeast quarter of Section 15 to the southerly extension of the westerly line of South Dauphin Avenue; thence northerly along said southerly extension of the westerly line of South Dauphin Avenue, the westerly line, thereof and the northerly extensions, thereof, to the south line of the 16 foot public alley lying south of East 103rd Street; thence west along said south line of the 16 foot public alley lying south of East 103rd Street and the westerly extensions, thereof, to the east line of South Indiana Avenue; thence north along said east line of South Indiana Avenue and the north extension, thereof, to the point of beginning on the south line of the southwest quarter of said Section 10, all in the City of Chicago, Cook County, Illinois.

[Figures 1, 2, 4 and 5 referred to in this Amendment Number 2 to Lake Calumet Area Industrial Tax Increment Financing Redevelopment Project Area Redevelopment Project and Plan printed on pages 48412 through 48415 of this *Journal*.]

[Amended (Sub)Exhibit III referred to in this Amendment Number 2 to Lake Calumet Area Industrial Tax Increment Financing Redevelopment Project Area Redevelopment Project and Plan printed on pages 48416 through 48448 of this *Journal*.]

[Amended (Sub)Exhibit IV referred to in this Amendment Number 2 to Lake Calumet Area Industrial Tax Increment Financing Redevelopment Project Area Redevelopment Project and Plan printed on pages 48449 through 48479 of this *Journal*.]

[(Sub)Exhibit VI referred to in this Amendment Number 2 to Lake Calumet Area Industrial Tax Increment Financing Redevelopment Project Area Redevelopment Project and Plan printed on page 48480 of this *Journal*.]

Amended (Sub)Exhibit I referred to in this Amendment Number 2 to Lake Calumet Area Industrial Tax Increment Financing Redevelopment Project Area Redevelopment Project and Plan reads as follows:

Amended (Sub)Exhibit I.
(To Amendment Number 2 To Lake Calumet Area Industrial Tax Increment Financing Redevelopment Project Area Redevelopment Project And Plan)

*Lake Calumet Area Industrial Tax increment
Financing Amended Legal Description.*

All that part of Sections 11, 12 north of the Indian Boundary Line, 12 south of the Indian Boundary Line, 13 north of the Indian Boundary Line, 13 south of the Indian Boundary Line, 14 north of the Indian Boundary Line, 14 south of the Indian Boundary Line, 15 and 22 north of the Indian Boundary Line, 22 south of the Indian Boundary Line, 25, 26 and 27 north of the Indian Boundary Line, 27 south of the Indian Boundary Line and 36 in Township 37 north, Range 14 East of the Third Principal Meridian and Sections 5 north of the Indian Boundary Line, 5 south of the Indian Boundary Line, 6 south of the Indian Boundary Line, 7 south of the Indian Boundary Line, 8, 17, 18, 19, 20, 29, 30 and 31 south of the Indian Boundary Line in

Township 37 North, Range 15 East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the north line of East 100th Street with the east line of South Muskegon Avenue; thence south along said east line of South Muskegon Avenue to the easterly extension of the north line of Lot 1 in Block 35 in the subdivision of Block 35 of Notre Dame Addition to South Chicago, a subdivision of the south three quarters of fractional Section 7, Township 37 North, Range 15 East of the Third Principal Meridian, said north line of Lot 1 being also the south line of East 103rd Street; thence west along said south line of East 103rd Street to the west line of South Manistee Avenue; thence south along said west line of South Manistee Avenue to the north line of East 104th Street; thence east along said north line of East 104th Street to the northerly extension of the westerly line of the east 138 feet of Block 48 of aforesaid Notre Dame Addition to South Chicago; thence south along said northerly extension and the westerly line of the east 138 feet of Block 48 of aforesaid Notre Dame Addition to South Chicago to the south line of the north 36 feet of said Block 48 of Notre Dame Addition to South Chicago; thence east along said south line of the north 36 feet of Block 48 of Notre Dame Addition to South Chicago and along the easterly extension thereof to the southeasterly line of South Commercial Avenue; thence northeasterly along said southeasterly line of South Commercial Avenue to the north line of East 104th Street; thence east along said north line of East 104th Street to the westerly line of that part of the Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-07-502-001; thence northerly along said westerly line of the Pennsylvania Railroad right-of-way to the centerline of East 98th Street; thence east along said centerline of East 98th Street to the easterly line of that part of the Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-06-427-033; thence northerly along said easterly line of that part of the Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-06-427-033 and along the easterly line of that part of the Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-06-427-032 to the north line of said part of the Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-06-427-032; thence west along said north line of that part of the Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-06-427-032 to the west line of South Baltimore Avenue; thence north along said west line of South Baltimore Avenue to the centerline of East 95th Street; thence east along said centerline of East 95th Street to the southeasterly extension of the southwesterly line of South Chicago Avenue, as said South Chicago Avenue is opened and laid out in the east half of the southeast quarter of Section 6, Township 37 north, Range 15 East of the Third Principal Meridian, north of the Indian Boundary Line; thence southeasterly along said southeasterly extension of the southwesterly line of South Chicago Avenue to the south line of West 95th Street; thence east along said south line of West 95th Street to the southerly extension of the west line of the parcel of property bearing Permanent Index Number 26-05-117-017; thence north along said southerly extension and the west line of the parcel of property bearing Permanent Index Number 26-05-117-017 to the northwesterly line thereof; thence northeasterly along said northwesterly line of the parcel of property bearing Permanent Index Number 26-05-117-017 to the north line thereof, said north line being also the south line of the Calumet River Turning Basin Number 1; thence east along said north line of the property bearing Permanent Index Number 26-05-117-017 to the easterly line of said Calumet River Turning Basin Number 1; thence northerly along said easterly line of said

Calumet River Turning Basin Number 1 and along the northerly extension thereof to the east line of fractional Section 6, Township 37 North, Range 15 East of the Third Principal Meridian south of the Indian Boundary Line; thence north along said east line of fractional Section 6, Township 37 North, Range 15 East of the Third Principal Meridian south of the Indian Boundary Line to the southwesterly line of the parcel of property bearing Permanent Index Number 26-05-117-014; thence northwesterly along said southwesterly line of the parcel of property bearing Permanent Index Number 26-05-117-014 and along the southwesterly line of the parcel of property bearing Permanent Index Number 26-05-117-013 to the northwesterly line of said parcel of property bearing Permanent Index Number 26-05-117-013, said northwesterly line being also the southeasterly line of the Calumet River; thence northeasterly along said southeasterly line of the Calumet River to the westerly shore line of Lake Michigan; thence southerly along said westerly shore line of Lake Michigan to the north line of the parcel of property bearing Permanent Index Number 26-05-311-002; thence west along said north line of the parcel of property bearing Permanent Index Number 26-05-311-002 to an easterly line of Lot A in the Steel and Tube Company of America's "Iroquois East Plant", being a consolidation of sundry tracts of land in fractional Section 5, Township 37 North Range 15 East of the Third Principal Meridian, south of the Indian Boundary Line; thence southeasterly along said easterly line of Lot A in the Steel and Tube Company of America's "Iroquois East Plant" to the south line thereof; thence west along said south line of Lot A and along the westerly extension thereof to the southeasterly extension of the northeasterly line of Lot 34 in the subdivision of Lots 1, 2, 3, 24, 25 and 26 of Block 1 in Taylor's Second Addition to South Chicago, a subdivision of the southwest fractional quarter (except the east half of the southwest quarter of the southwest fractional quarter) of fractional Section 5, Township 37 North, Range 15 East of the Third Principal Meridian south of the Indian Boundary Line, said northeasterly line of Lot 34 being also the southwesterly line of South Kreiter Avenue; thence northwest along said southeasterly extension and the southwesterly line of South Kreiter Avenue to the southeasterly line of East 93rd Court; thence southwesterly along said southeasterly line of East 93rd Court to the northeasterly line of South Ewing Avenue; thence southeasterly along said northeasterly line of South Ewing Avenue to the south line of East 94th Street, said south line of East 94th Street being also the north line of the west half of the southwest quarter of Section 5, Township 37 North, Range 15 East of the Third Principal Meridian south of the Indian Boundary Line; thence west along said north line of the west half of the southwest quarter of Section 5 to the east line of the parcel of property bearing Permanent Index Number 26-05-501-002; thence south along said east line of the parcel of property bearing Permanent Index Number 26-05-501-002 to the southwesterly line of Lot 1 in Block 2 in aforesaid Taylor's Second Addition to South Chicago, said southwesterly line of Lot 1 being also the northeasterly line of the alley southwest of South Ewing Avenue; thence southeast along said northeasterly line of the alley southwest of South Ewing Avenue to the southeasterly line of the northwesterly 5 feet of Lot 15 in said Block 2 in Taylor's Second Addition to South Chicago; thence northeasterly along said southeasterly line of the northwesterly 5 feet of Lot 15 in Block 2 of Taylor's Second Addition to South Chicago to the southwesterly line of South Ewing Avenue; thence southeast along said southwesterly line of South Ewing Avenue to the south line of the 20 foot public alley lying north of and adjoining Lots 25 through 57, inclusive, in said Block 2 of Taylor's Second Addition to South Chicago, said alley lying north of East 95th Street; thence west along said south line of the alley lying north of East 95th Street to the west line of Lot 34 in said

Block 2 of Taylor's Second Addition to South Chicago; thence south along said west line of Lot 34 in Block 2 of Taylor's Second Addition to South Chicago and along the southerly extension thereof to the south line of East 95th Street; thence west along said south line of East 95th Street to the west line of Lot 24 in Block 3 in said Taylor's Second Addition to South Chicago, said west line of Lot 24 being also the east line of South Avenue O; thence south along said west line of Lot 24 in Block 3 of Taylor's Second Addition to South Chicago to the south line of said Lot 24, said south line of Lot 24 being also the north line of the alley south of East 95th Street; thence east along said north line of the alley south of East 95th Street to the northerly extension of the west line of Lot 78 in said Block 3 of Taylor's Second Addition to South Chicago, said west line of Lot 78 being also the east line of the alley west of South Avenue N; thence south along said east line of the alley west of South Avenue N to the north line of East 97th Street; thence east along said north line of East 97th Street to the northerly extension of the west line of Lot 48 in Block 14 of said Taylor's Second Addition to South Chicago, said west line of Lot 48 being also the east line of South Avenue N; thence south along said east line of South Avenue N to the south line of East 102nd Street; thence west along said south line of East 102nd Street to the east line of South Avenue O; thence south along said east line of South Avenue O to the south line of East 103rd Street; thence west along said south line of East 103rd Street to the west line of Lot 1 in Block 2 in the subdivision of the east 486 feet of Block 41, 42 and 57 in Notre Dame Addition to South Chicago, a subdivision of the south three-quarters of fractional Section 7 south of the Indian Boundary Line, Township 37 North, Range 15 East of the Third Principal Meridian, said west line of Lot 1 being also the east line of the alley west of South Green Bay Avenue; thence south along said east line of the alley west of South Green Bay Avenue to the north line of Lot 23 in Block 6 in said subdivision of the east 486 feet of Blocks 41, 42 and 57 in Notre Dame Addition to South Chicago; thence west along said north line of Lot 23 in Block 6 in the subdivision of the east 486 feet of Blocks 41, 42 and 57 in Notre Dame Addition to South Chicago to the west line of said Lot 23; thence south along said west line of Lot 23 in Block 6 in the subdivision of the east 486 feet of Blocks 41, 42 and 57 in Notre Dame Addition to South Chicago and along the southerly extension thereof to the south line of East 106th Street; thence west along said south line of East 106th Street to the east line of South Buffalo Avenue; thence south along said east line of South Buffalo Avenue to the south line of East 107th Street; thence west along said south line of East 107th Street to the east line of South Burley Avenue; thence south along said east line of South Burley Avenue to the north line of East 110th Street; thence east along said north line of East 110th Street to the east line of South Mackinaw Avenue; thence south along said east line of South Mackinaw Avenue to the north line of East 114th Street; thence east along said north line of East 114th Street to the east line of South Ewing Avenue; thence south along said east line of South Ewing Avenue to the south line of East 115th Street; thence west along said south line of East 115th Street to the east line of South Avenue L; thence south along said east line of South Avenue L to the south line of East 116th Street; thence west along said south line of East 116th Street to the east line of South Avenue O; thence south along said east line of South Avenue O to the easterly extension of the north line of the parcel of property bearing Permanent Index Number 26-30-201-010; thence west along said easterly extension and the north line of the parcel of property bearing Permanent Index Number 26-30-201-010 to the west line thereof; thence south along said west line of the parcel of property bearing Permanent Index Number 26-30-201-010 to the south line thereof; thence west along the

south line of the parcel of property bearing Permanent Index Number 26-30-201-011 and along the south line of the parcel of property bearing Permanent Index Number 26-30-201-006 and again along the south line of the parcel of property bearing Permanent Index Number 26-30-201-011 and along the westerly extension thereof to the west line of South Brandon Avenue; thence north along said west line of South Brandon Avenue to the south line of East 122nd Street; thence west along said south line of East 122nd Street to the east line of the parcel of property bearing Permanent Index Number 26-30-200-010; thence south along said east line of the parcel of property bearing Permanent Index Number 26-30-200-010 to the southerly line of said parcel of property bearing Permanent Index Number 26-30-200-010; thence northwesterly and westerly along said southerly line of said parcel of property bearing Permanent Index Number 26-30-200-010 to the southeast corner of the parcel of property bearing Permanent Index Number 26-30-200-006; thence west along the south line of said parcel of property bearing Permanent Index Number 26-30-200-006 and the westerly extension thereof to the centerline of South Carondolet Avenue; thence south along said centerline of South Carondolet Avenue to the easterly extension of the south line of the parcel of property bearing Permanent Index Number 26-30-100-040; thence west along easterly extension and a distance of 414.76 feet along the south line of the parcel of property bearing Permanent Index Number 26-30-100-040 to a westerly line of said parcel of property bearing Permanent Index Number 26-30-100-040; thence north along said westerly line of said parcel of property bearing Permanent Index Number 26-30-100-040 a distance of 150.42 feet to a southerly line of said parcel of property bearing Permanent Index Number 26-30-100-040; thence west along said southerly line of the parcel of property bearing Permanent Index Number 26-30-100-040 to the west line of said parcel, said west line being also the east line of the parcel of property bearing Permanent Index Number 26-30-100-006; thence northerly along said east line of the parcel of property bearing Permanent Index Number 26-30-100-006 to the north line thereof, said north line being also the U.S. Channel Line of the Calumet River; thence westerly along said U.S. Channel Line of the Calumet River to the easterly line of the southwest 500 feet of Lot 3A in the County Clerk's Division of part of the west half of the southwest quarter of Section 19, Township 37 North, Range 15 East of the Third Principal Meridian lying west of the U.S. Channel Line of the Calumet River, also part of the northwest quarter of Section 30, Township 37 North, Range 15 East of the Third Principal Meridian, said easterly line being also the easterly line of the parcel of property bearing Permanent Index Number 26-30-100-041; thence southerly along said easterly line of the parcel of property bearing Permanent Index Number 26-30-100-0431 and along the easterly line of the parcel of property bearing Permanent Index Number 26-30-100-043 to the south line of the northwest quarter of Section 30, Township 37 North, Range 15 East of the Third Principal Meridian; thence west along said south line of the northwest quarter of Section 30, to the northerly extension of the west line of Lot 24 in Block 4 of Mary W. Ingram's Subdivision of the northwest quarter of the southwest quarter of Section 30, Township 37 North, Range 15 East of the Third Principal Meridian, said west line of Lot 24 being also the east line of South Torrence Avenue; thence south along said northerly extension and along the east line of South Torrence Avenue to the north line of East 130th Street; thence east along said north line of East 130th Street to the east line of South Saginaw Avenue; thence south along said east line of South Saginaw Avenue to the northeasterly line of South Brainard Avenue; thence southeasterly along said northeasterly line of South Brainard Avenue to the westerly line of that part of the Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-31-506-001,

said right-of-way lying west of Avenue O in the east half of the southeast quarter of Section 31, Township 37 North, Range 15 East of the Third Principal Meridian; thence southerly along said westerly line of that part of the Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-31-506-001 to the southwesterly line of South Brainard Avenue; thence northwesterly along said southwesterly line of South Brainard Avenue to the northwesterly line of the parcel of property bearing Permanent Index Number 26-31-417-006, said northwesterly line being the northwesterly line of Lot 2 in Lammering and Jordan's Resubdivision in the east half of the southeast quarter of Section 31, Township 37 North, Range 15 East of the Third Principal Meridian; thence southwesterly along said northwesterly line of Lot 2 in Lammering and Jordan's Resubdivision to the southwesterly line of said parcel of property bearing Permanent Index Number 26-31-417-006; thence southeasterly along said southwesterly line of the parcel of property bearing Permanent Index Number 26-31-417-006 to the westerly line of aforesaid Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-31-506-001; thence southerly along said westerly line of the Pennsylvania Railroad right-of-way bearing Permanent Index Number 26-31-506-001 to the northeasterly line of that part of the Chicago and Western Indiana Railroad right-of-way bearing Permanent Index Number 26-31-502-003; thence southeasterly along said northeasterly line of that part of the Chicago and Western Indiana Railroad right-of-way bearing Permanent Index Number 26-31-502-003 to the south line of the southeast quarter of Section 31, Township 37 North, Range 15 East of the Third Principal Meridian; thence west along said south line of the southeast quarter of Section 31, Township 37 North, Range 15 East of the Third Principal Meridian and along south line of the southwest quarter of Section 31, Township 37 North, Range 15 East of the Third Principal Meridian to the west line of South Torrence Avenue; thence north along said west line of South Torrence Avenue to the southwesterly line of the parcel of property bearing Permanent Index Number 25-36-407-005; thence northwesterly along said southwesterly line of the parcel of property bearing Permanent Index Number 25-36-407-005 to the easterly extension of the north line of Lot 1 in Block 2 of Hay, Hess and Glaesher Addition to Chicago, being a subdivision of that part of the northeast quarter of the southeast quarter of Section 36, Township 37 North, Range 14 East of the Third Principal Meridian, said north line of Lot 1 being also the south line of East 134th Street; thence west along said easterly extension and along the south line of East 134th Street to the westerly U.S. Dock Line of the Calumet River; thence northwesterly along said westerly U.S. Dock Line of the Calumet River to south line of East 130th Street; thence west along said south line of East 130th Street to the southerly extension of the west line of South Stony Island Avenue, as said South Stony Island Avenue is open and laid out in the east half of the southeast quarter of Section 26, Township 37 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and along the west line of South Stony Island Avenue to the north line of that part of the Rock Island Railroad right-of-way bearing Permanent Index Number 25-26-501-005; thence west along said north line of that part of the Rock Island Railroad right-of-way bearing Permanent Index Number 25-26-501-005 to the southwesterly line of the parcel of property bearing Permanent Index Number 25-26-400-017; thence northwesterly along said southeasterly extension and the southwesterly line of the parcel of property bearing Permanent Index Number 25-26-400-017 to the south line of East 129th Street, as widened; thence west along said south line of East 129th Street, as widened and along the westerly extension thereof to the westerly line of South Doty Avenue; thence northwesterly along said westerly line of South Doty Avenue to the south line of East 121st

Street; thence west along said south line of East 121st Street to westerly line of the parcel of property bearing Permanent Index Number 25-22-401-017, said westerly line being also the easterly line of the Pullman Railroad right-of-way; thence southeast along said westerly line of the parcel of property bearing Permanent Index Number 25-22-401-017 to the south line of the west half of the southeast quarter of Section 22, Township 37 North, Range 14 East of the Third Principal Meridian, south of the Indian Boundary Line; thence west along said south line of the west half of the southeast quarter of Section 22 to the westerly line of the 100 foot railroad right-of-way bearing Permanent Index Number 25-27-502-001; thence southeasterly along said westerly line of the 100 foot railroad right-of-way bearing Permanent Index Number 25-27-502-001 to the northwesterly line of East 124th Street; thence southeasterly along a straight line to the point of intersection of the south line of said East 124th Street with the northeasterly line of South Cottage Grove Avenue; thence southeasterly along said northeasterly line of South Cottage Grove Avenue to the easterly extension of the south line of the parcel of property bearing Permanent Index Number 25-27-200-012; thence west along said easterly extension and the south line of the parcel of property bearing Permanent Index Number 25-27-200-012 to the westerly line thereof; thence northwesterly along said westerly line of the parcel of property bearing Permanent Index Number 25-27-200-012 to the southwesterly line of the parcel of property bearing Permanent Index Number 25-27-200-010; thence northwesterly along said southwesterly line of the parcel of property bearing Permanent Index Number 25-27-200-010 and along the southwesterly line of the parcel of property bearing Permanent Index Number 25-27-200-007 to the north line of the east half of the northwest quarter of Section 27, Township 37 North, Range 14 East of the Third Principal Meridian, south of the Indian Boundary Line, said north line of the east half of the northwest quarter of Section 27 being also the south line of the east half of the fractional southwest quarter of fractional Section 22, Township 37 North, Range 14 East of the Third Principal Meridian South of the Indian Boundary Line; thence west along said south line of the east half of the fractional southwest quarter of fractional Section 22 to the easterly line of the Chicago and Western Indiana Railroad right-of-way bearing Permanent Index Number 25-22-500-001; thence northerly along said easterly line of the Chicago and Western Indiana Railroad right-of-way to the easterly line of the Illinois Central Railroad right-of-way bearing Permanent Index Number 25-22-501-005; thence northeasterly along said easterly line of the Illinois Central Railroad right-of-way to the north line of East 115th Street; thence east along said north line of East 115th Street to the westerly line of Outlot "C" in Pullman Industrial Park, a subdivision of part of the northeast quarter of Section 22 and part of the northwest fractional quarter of Section 23 in Township 37 North, Range 14 East of the Third Principal Meridian, north of the Indian Boundary Line; thence northerly along said westerly line of Outlot "C" in Pullman Industrial Park to the south line of East 114th Street; thence north along a straight line to the southwest corner of Outlot "D" in said Pullman Industrial Park; thence north along the west line of said Outlot "D" in Pullman Industrial Park to the south line of East 113th Street; thence north along a straight line to the southeast corner of Outlot "E" in said Pullman Industrial Park; thence north along the west line of East 111th Street; thence west along said south line of East 111th Street and along the westerly extension thereof to the west line of South Cottage Grove Avenue; thence northerly along said west line of South Cottage Grove Avenue to the westerly extension of the south line of Lot 1 in Lyn Hughes North Pulman Subdivision of part of the southeast quarter of Section 15, Township 37 North, Range 14 East of the Third Principal; thence east along said westerly extension and along the south

line of Lot 1 in Lyn Hughes North Pulman Subdivision to the southeast corner thereof; thence north along the east line and the northerly extension thereof of said Lot 1 in Lyn Hughes North Pulman Subdivision to the north line of East 108th Street; thence east along said north line of East 108th Street to the west line of South Langley Avenue; thence north along said west line of South Langley Avenue to the north line of East 106th Street; thence east along said north line of East 106th Street and along the easterly extension thereof to the east line of South Maryland Avenue; thence south along said east line of South Maryland Avenue to the south line of East 106th Street, being also the north line of that portion of the parcel of property bearing Permanent Index Number 25-14-100-046 lying west of the Rock Island Railroad right-of-way; thence west along said south line of East 106th Street to the west line of that portion of the parcel of property bearing Permanent Index Number 25-14-100-046 lying west of the Rock Island Railroad right-of-way; thence south along said west line of the parcel of property bearing Permanent Index Number 25-14-100-046 to the southerly line of that portion of said parcel of property bearing Permanent Index Number 25-14-100-046 lying west of the Rock Island Railroad right-of-way; thence easterly along the southerly line said parcel of property bearing Permanent Index Number 25-14-100-046 to the westerly line of the Rock Island Railroad right-of-way bearing Permanent Index Number 25-14-500-002; thence southerly along said westerly line of the Rock Island Railroad right-of-way bearing Permanent Index Number 25-14-500-002 and said westerly line extended southerly to the north line of the parcel of property bearing Permanent Index Number 25-14-500-003; thence east along said north line of the parcel of property bearing Permanent Index Number 25-14-500-003 to the easterly line of said parcel, being also the easterly line of the Rock Island Railroad right-of-way bearing said Permanent Index Number 25-14-500-003; thence southerly along said easterly line of the Rock Island Railroad right-of-way bearing Permanent Index Number 25-14-500-003 to the west line of the southwest quarter of Section 14, Township 37 North, Range 14 East of the Third Principal Meridian; thence south along said west line of the southwest quarter of Section 14 to the north line of East 111th Street; thence east along said north line of East 111th Street to the westerly line of the parcel of property bearing the Permanent Index Number 25-14-300-010; thence northerly along said westerly line of the parcel of property bearing the Permanent Index Number 25-14-300-010 to the northerly line of said parcel of property bearing the Permanent Index Number 25-14-300-010; thence easterly along said northerly line of the parcel of property bearing Permanent Index Number 25-14-300-010 and the easterly extension thereof to the easterly line of South Doty Avenue; thence southerly along said easterly line of South Doty Avenue to a point on said easterly line of South Doty Avenue, said point being 4,511.96 feet, more or less, southerly, as measured on said easterly line of South Doty Avenue, from the point of intersection of said easterly line of South Doty Avenue with a line which is the westerly extension of a line 33.00 feet south of and parallel with the south line of the fractional Section 12, Township 37 North, Range 14 East of the Third Principal Meridian which is south of the Indian Boundary Line, said point being also the point of intersection of said easterly line of South Doty Avenue with the southerly line of the Harborside International Golf Complex; thence south 83 degrees, 53 minutes, 09 seconds east (with north being based on the south line of aforesaid fractional Section 12, Township 37 North, Range 14 East of the Third Principal Meridian which is south of the Indian Boundary Line having a bearing of north 89 degrees, 49 minutes, 15 seconds west), along a southerly line of said Harborside International Golf Complex, a distance of 683.45 feet; thence easterly along the arc of a curve concave to the northwest and having a radius of 883.35 feet along a

southerly line of said Harborside International Golf Complex; a distance of 1,400.22 feet; thence north 00 degrees, 10 minutes, 44 seconds west, along a southerly line of said Harborside International Golf Complex, a distance of 104.59 feet; thence northerly along the arc of a curve concave to the southeast and having a radius of 59.22 feet, along a southerly line of said Harborside International Golf Complex, a distance of 83.74 feet; thence south 89 degrees, 59 minutes, 48 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 563.19 feet; thence south 19 degrees 07 minutes 09 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 96.05 feet; thence south 15 degrees, 43 minutes, 00 seconds west, along a southerly line of said Harborside International Golf Complex, a distance of 743.09 feet; thence south 00 degrees, 54 minutes, 53 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 610.47 feet; thence north 61 degrees, 56 minutes, 10 seconds west, along a southerly line of said Harborside International Golf Complex, a distance of 372.39 feet; thence south 85 degrees, 53 minutes, 08 seconds west, along a southerly line of said Harborside International Golf Complex, a distance of 658.90 feet; thence north 60 degrees, 21 minutes, 42 seconds west, along a southerly line of said Harborside International Golf Complex, a distance of 275.54 feet; thence south 39 degrees, 39 minutes, 10 seconds west, along a southerly line of said Harborside International Golf Complex, a distance of 409.83 feet; thence south 19 degrees, 38 minutes, 42 seconds west, along a southerly line of said Harborside International Golf Complex, a distance of 1,422.58 feet; thence south 60 degrees, 58 minutes, 47 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 413.83 feet; thence north 25 degrees, 22 minutes, 50 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 735.84 feet; thence north 88 degrees, 26 minutes, 48 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 2,076.57 feet; thence north 35 degrees, 27 minutes, 08 seconds west, along a southerly line of said Harborside International Golf Complex, a distance of 594.35 feet; thence north 21 degrees, 25 minutes, 39 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 386.37 feet; thence north 22 degrees, 09 minutes, 34 seconds west, along a southerly line of said Harborside International Golf Complex, a distance of 336.51 feet; thence north 12 degrees, 49 minutes, 04 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 1,536.25 feet; thence north 90 degrees, 00 minutes, 00 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 567.20 feet; thence south 80 degrees, 20 minutes, 41 seconds west east, along a southerly line of said Harborside International Golf Complex, a distance of 511.00 feet; thence south 89 degrees, 58 minutes, 04 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 818.73 feet; thence south 47 degrees, 38 minutes, 35 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 223.41 feet; thence south 02 degrees, 51 minutes, 59 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 430.61 feet; thence north 90 degrees, 00 minutes, 00 seconds east, along a southerly line of said Harborside International Golf Complex, a distance of 380.43 feet; thence north 00 degrees, 00 minutes, 00 seconds east, along a easterly line of said Harborside International Golf Complex, a distance of 1,312.56 feet, to a point on the westerly line of South Stony Island Avenue; thence northwesterly along said westerly line of South Stony Island Avenue to a line which is 33 feet south of and parallel with the westerly extension

of the south line of the southwest quarter of fractional Section 12, Township 37 North, Range 14 East of the Third Principal Meridian south of the Indian Boundary Line; thence west along said line which is 33 feet south of and parallel with the westerly extension of the south line of the southwest quarter of fractional Section 12 to the southeasterly line of South Doty Avenue; thence northeasterly along said southeasterly line of South Doty Avenue to the east line of the northeast quarter of Section 14, Township 37 North, Range 14 East of the Third Principal Meridian; thence north along said east line of the northeast quarter of Section 14 and along the northerly extension thereof to the north line of East 103rd Street; thence west along said north line of East 103rd Street to the westerly line of South Stony Island Avenue; thence north along said westerly line of South Stony Island Avenue to the north line of the east half of the southeast quarter of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along said north line of the east half of the southeast quarter of Section 11 to the southeasterly line of the parcel of property bearing Permanent Index Number 25-11-212-023; thence southwest along said southeasterly line of the parcel of property bearing Permanent Index Number 25-11-212-023 to the south line of the parcel of property bearing Permanent Index Number 25-11-400-014; thence west along said south line of the parcel of property bearing Permanent Index Number 25-11-400-014 to the northerly extension of the southerly most east line of the parcel of property bearing Permanent Index Number 25-11-400-007; thence south along said southerly most east line of the parcel of property bearing Permanent Index Number 25-11-400-007 to the south line of said parcel of property bearing Permanent Index Number 25-11-400-007; thence west along said south line of the parcel of property bearing Permanent Index Number 25-11-400-007 to the west line thereof; thence north along said west line of the parcel of property bearing Permanent Index Number 25-11-400-007 to the south line of the west half of the northeast quarter of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along said south line of the west half of the northeast quarter of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian to the easterly line of the Rock Island Railroad right-of-way bearing Permanent Index Number 25-11-501-005; thence north along said easterly line of the Rock Island Railroad right-of-way bearing Permanent Index Number 25-11-501-005 to the south line of East 95th Street; thence east along said south line of East 95th Street to the easterly line of the Chicago and Western Indiana Railroad right-of-way, said easterly line being a line 135.5 feet west of and parallel with the west line of South Stony Island Avenue; thence south along said easterly line of the Chicago and Western Indiana Railroad right-of-way, a distance of 63.84 feet to the point of intersection of said east line of the Chicago and Western Indiana Railroad right-of-way with the northeasterly line of said right-of-way; thence southeast along said northeasterly line of the Chicago and Western Indiana Railroad right-of-way to a line 295.00 feet south of and parallel with the north line of the east half of the northeast quarter of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian, said line being the south line of the parcel of property bearing Permanent Index Number 25-11-212-018; thence east along said south line of the parcel of property bearing Permanent Index Number 25-11-212-018 to the west line of South Stony Island Avenue; thence southeast along a straight line to the southwest corner of the parcel of property bearing Permanent Index Number 25-12-100-010, said corner being the point of intersection of the east line of South Stony Island Avenue with a line 64 feet north of and parallel with the northeasterly line of that part of the Chicago and Western Indiana Railroad right-of-way bearing Permanent Index Number 25-12-501-001; thence southeasterly along said southwesterly

line of the Parcel of Property bearing Permanent Index Number 25-12-100-010 to the northwesterly line of the Parcel of Property bearing Permanent Index Number 25-12-400-006; thence northeasterly along said northwesterly line of the parcel of property bearing Permanent Index Number 25-12-400-006 to the northeasterly line thereof; thence southeasterly along said northeasterly line of the parcel of property bearing Permanent Index Number 25-12-400-006 to a north line of said parcel of property bearing Permanent Index Number 25-12-400-006, said north line being a line 43 feet north of and parallel with the south line of the east half of the northwest quarter of Section 12, Township 37 North, Range 14 East of the Third Principal Meridian north of the Indian Boundary Line; thence east along said north line of said parcel of property bearing Permanent Index Number 25-12-400-006 and along the easterly extension thereof to the southwesterly line of the alley lying southwest of and adjoining the southwesterly line of Lots 1 through 25, inclusive, in Block 3 in Arthur Dunas' Jeffery Addition, a subdivision of Block 19 in Van Vlissingen Heights, a subdivision in Section 12, Township 37 North, Range 14 East of the Third Principal Meridian north of the Indian Boundary Line; thence southeast along a straight line to the point of intersection of the north line of the west half of the southeast quarter of Section 12, Township 37 North, Range 14 East of the Third Principal Meridian north of the Indian Boundary Line with the southwesterly line of the alley lying southwest of and adjoining the southwesterly line of Lots 1 through 38, inclusive, in Van's Subdivision of Block 15 in Calumet Trust's Subdivision, in fractional Section 12 both north and south of the Indian Boundary Line in Township 37 North, Range 14 East of the Third Principal Meridian, said alley lying southwest of South Van Vlissingen Road; thence southeasterly along said southwesterly line of the alley lying southwest of South Van Vlissingen Road and along the southwesterly line of William Randall's Resubdivision of certain lots and parts of lots with vacated streets and alleys in the east half of the southeast quarter of Section 12, Township 37 North, Range 14 East of the Third Principal Meridian North of the Indian Boundary Line and along the southwesterly line of the parcel of property bearing Permanent Index Number 25-12-424-101 to the north line of East 103rd Street; thence southeasterly along a straight line to the point of intersection of the south line of said East 103rd Street with the southwesterly line of the alley lying southwesterly of and adjoining Lots 10 and 11 in Block 199 in L. Frank & Company's Trumbull Park Terrace, a resubdivision of certain blocks in "South Chicago Subdivision" in the west half of the southeast quarter of Section 12, Township 37 North, Range 14 East of the Third Principal Meridian, south of the Indian Boundary Line; thence southeasterly along said southwesterly line of the alley lying southwesterly of and adjoining Lots 10 and 11 and along the southwesterly line of Lot 12 in said L. Frank & Company's Trumbull Park Terrace and along the southwesterly line of the alley lying southwesterly of and adjoining Lots 18 and 19 in said L. Frank & Company's Trumbull Park Terrace to the west line of South Crandon Avenue; thence southeast along a straight line to the northwest corner of Lot 9 in Block 204 in L. Frank and Company's Trumbull Terrace, a resubdivision of certain blocks in South Chicago Subdivision, in the west half of the southeast quarter of Section 12, Township 37 North, Range 14 East of the Third Principal Meridian south of the Indian Boundary Line; thence southeast along the southwesterly line of said Lot 9 in Block 204 in L. Frank and Company's Trumbull Terrace, and along the southeasterly extension thereof, said southeasterly extension of Lot 9 being also the southwesterly line of the alley lying southwesterly of and adjoining the southwesterly line of Lots 6, 7 and 8 in said Block 204 in L. Frank and Company's Trumbull Terrace, to the west line of South Oglesby Avenue.

thence north along said west line of South Oglesby Avenue to the north line of East 103rd Street; thence east along said north line of East 103rd Street to the east line of South Bensley Avenue; thence south and along said east line of South Bensley Avenue to the south line of East 105th Street; thence west along said south line of East 105th Street to the west line of South Oglesby Avenue; thence south along said west line of South Oglesby Avenue to the northeasterly line of the Parcel of Property bearing Permanent Index Number 25-12-431-007; thence southeasterly along said northeasterly line of the Parcel of Property bearing Permanent Index Number 25-12-431-007 to the north line of East 109th Street; thence east along said north line of East 109th Street to the northerly extension of the west line of Lots 10 in resubdivision of Lots 1 to 10, both inclusive, of the subdivision of the west 264 feet of Lot 11 and half of the vacated street west of and adjoining said west 264 feet of Lot 11 in Block 28 of Irondale, a subdivision of the east half of Section 13, Township 37 North, Range 14 East of the Third Principal Meridian, said west line of Lot 10 being also the east line of vacated Calhoun Avenue; thence south along said northerly extension and the east line of vacated, Calhoun Avenue to the south line of Lot 14 in the subdivision of the west 264 feet of Lot 11 and half of the vacated street west of and adjoining said west 264 feet of Lot 11 in Block 28 of Irondale, a subdivision of the east half of Section 13, Township 37 North, Range 14 East of the Third Principal, Meridian, said south line of Lot 14 being also a north line of the parcel of property bearing Permanent Index Number 25-13-212-009; thence east along said north line of the parcel of property bearing Permanent Index Number 25-13-212-009 to the west line of South Torrence Avenue; thence north along said west line of South Torrence Avenue to the westerly extension of the south line of Lot 22 in Block 51 in Notre Dame Addition to South Chicago, a subdivision of the south three quarters of fractional Section 7, Township 37 North, Range 15 East of the Third Principal Meridian, south of the Indian Boundary Line, said south line of Lot 22 being also the north line of East 105th Street; thence east along said westerly extension and the south line of Lot 22 to the east line of said Lot 22, said east line of Lot 22 being also the west line of the alley lying east of South Torrence Avenue; thence north along said west line of the alley lying east of South Torrence Avenue to the north line of Lot 21 in said Block 51 in Notre Dame Addition to South Chicago; thence west along said north line of Lot 21 in Block 51 in Notre Dame Addition to South Chicago and along the westerly extension thereof to the west line of South Torrence Avenue; thence north along said west line of South Torrence Avenue to the westerly extension of the south line of Lot 9 in aforesaid Block 51 in Notre Dame Addition to South Chicago; thence east along said westerly extension and the south line of Lot 9 in Block 51 in Notre Dame Addition to South Chicago to the east line of said Lot 9, said east line of Lot 9 being also the west line of the alley east of South Torrence Avenue; thence north along said west line of the alley east of South Torrence Avenue to the south line of Lot 6 in said Block 51 in Notre Dame Addition to South Chicago; thence west along said south line of Lot 6 in Block 51 in Notre Dame Addition to South Chicago and along the westerly extension thereof to the west line of South Torrence Avenue; thence north along said west line of South Torrence Avenue to the north line of East 99th Street; thence east along said north line of East 99th Street to the east line of South Escanaba Avenue; thence south along said east line of South Escanaba Avenue to the north line of East 100th Street; thence west along said north line of East 100th Street to the point of beginning at the east line of South Muskegon Avenue; all in the City of Chicago, Cook County, Illinois.

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT B

LEGAL DESCRIPTION OF THE PROPERTY

A legal description of the Property is attached to this exhibit cover sheet.

In addition, a legal description of real property adjacent to the Property which is part of the Project is included and incorporated herein for reference.

A PARCEL OF LAND IN PARTS OF THE SOUTHWEST QUARTER OF SECTION 14 AND THE SOUTHEAST QUARTER OF SECTION 15, ALL IN TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE SAID SOUTHEAST QUARTER OF SECTION 15, OR THE WEST LINE OF SAID WEST HALF OF SECTION 14, WITH THE NORTH LINE OF EAST 111TH STREET (BEING A LINE DRAWN PARALLEL WITH AND 50 FEET NORTH OF THE SOUTH LINE OF SAID SECTIONS 14 AND 15); RUNNING THENCE WEST ALONG SAID NORTH LINE, A DISTANCE OF 365073 FEET TO A POINT ON A CURVE 75000 FEET EASTERLY AND CONCENTRIC WITH THE EASTERLY LINE OF CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY (30 FEET WIDE, FORMERLY THE PULLMAN RAILROAD); THENCE NORTHEASTERLY ALONG LINES 75000 FEET EASTERLY AND CONCENTRIC OR PARALLEL WITH SAID EASTERLY LINE FOR THE NEXT FOUR COURSES; (1) THENCE NORTHEASTERLY 279086 FEET, ALONG THE ARC OF A NON-TANGENT CIRCLE TO THE RIGHT, HAVING A RADIUS OF 626050 FEET AND WHOSE CHORD BEARS NORTH 29 DEGREES 20 MINUTES 17 SECONDS EAST, 277054 FEET TO A POINT OF TANGENCY; (2) THENCE NORTH 42 DEGREES 08 MINUTES 06 SECONDS EAST, 61073 FEET TO A POINT OF CURVATURE; (3) THENCE NORTHEASTERLY 217098 FEET, ALONG THE ARC OF A TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 1356057 FEET AND WHOSE CHORD BEARS NORTH 37 DEGREES 31 MINUTES 54 SECONDS EAST, 217075 FEET TO A POINT OF COMPOUND CURVATURE; (4) THENCE NORTHEASTERLY 66059 FEET, ALONG THE ARC OF A TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 345004 FEET AND WHOSE CHORD BEARS NORTH 27 DEGREES 24 MINUTES 00 SECONDS EAST, 66048 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTHERLY 48A6 FEET, ALONG SAID CONCENTRIC ARC OF A TANGENT CIRCLE TO THE LEFT, HAVING A RADIUS OF 345004 FEET AND WHOSE CHORD BEARS NORTH 17 DEGREES 50 MINUTES 51 SECONDS EAST, 48043 FEET TO A POINT OF TANGENCY; THENCE NORTH 13 DEGREES 49 MINUTES 25 SECONDS EAST, ALONG A LINE 75000 FEET SOUTHEASTERLY OF AND

PARALLEL WITH THE EASTERLY LINE OF CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY (30 FEET WIDE, FORMERLY THE PULLMAN RAILROAD), 1688044 FEET; THENCE SOUTH 68 DEGREES 24 MINUTES 59 SECONDS EAST, PERPENDICULAR WITH THE NORTHWESTERLY LINE OF PULLMAN PARK - PHASE 1 RECORDED JUNE 19, 2011 AS DOCUMENT 1120029049, A DISTANCE OF 818071 FEET TO A POINT ON THE NORTHWEST LINE OF SAID PULLMAN PARK - PHASE 1; THENCE SOUTH 21 DEGREES 35 MINUTES 01 SECONDS WEST, ALONG SAID NORTHWEST LINE, 1021000 FEET TO A BEND POINT; THENCE NORTH 68 DEGREES 24 MINUTES 59 SECONDS WEST, ALONG A NORTHERLY LINE OF LOT 4 IN SAID PULLMAN PARK - PHASE 1, A DISTANCE OF 360098 FEET TO A CORNER THEREOF; THENCE WESTERLY 42032 FEET, ALONG THE ARC OF A NON-TANGENT CIRCLE TO THE RIGHT, HAVING A RADIUS OF 53000 FEET AND WHOSE CHORD BEARS SOUTH 70 DEGREES 10 MINUTES 43 SECONDS WEST, 421 FEET TO A POINT ON A NON-TANGENT LINE, SAID NON-TANGENT LINE ALSO BEING A WESTERLY LINE OF SAID LOT 4; THENCE SOUTH 22 DEGREES 54 MINUTES 29 SECONDS WEST, ALONG SAID WESTERLY LINE, 596009 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 4; THENCE SOUTH 88 DEGREES 36 MINUTES 34 SECONDS WEST, ALONG THE WESTERLY EXTENSION OF SAID SOUTH LINE, 197058 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO KNOWN AS:

LOT 5 IN ~~PROPOSED~~ PULLMAN PARK - PHASE 2, BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 14 AND THE SOUTHEAST QUARTER OF SECTION 15, ALL IN TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED December 6, 2013 AS DOCUMENT 1334039070.

PINs: 25-15-406-052-0000
25-14-300-023-0000

25-14-300-018 } 2012 # 5
25-15-406-024 } 61

Address
720 E 111th St
Chicago, IL 60628

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS
CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT C

RESERVED

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT D-1

PROJECT BUDGET

See the attachment to this cover sheet

Exhibit D-1
Project Budget

Hard Costs		
Miscellaneous Hard Costs	\$	3,152,050.00
Site Prep - Earthwork	\$	1,712,340.00
Construction Management	\$	195,000.00
General Conditions	\$	100,000.00
Hard-Cost Contingency	\$	171,066.00
Total Hard Costs	\$	5,330,456.00
Soft Costs/Fees		
Architecture and Engineering	\$	187,000.00
Permits	\$	30,000.00
Legal, Title, Closing Costs	\$	175,000.00
Miscellaneous Soft Costs	\$	487,250.00
Contingency	\$	140,000.00
Total Soft Costs	\$	1,019,250.00
Land Acquisition (1)	\$	5,290,362.00
Total Uses	\$	11,640,068.00

(1) It is understood that only \$3,561,060 of the Land Acquisition is eligible for TIF reimbursement.

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT D-2

CONSTRUCTION (MBE/WBE) BUDGET

See the attachment to this cover sheet

Exhibit D-2
MBE/WBE Budget:

Hard Costs of Construction	\$ 4,880,490.00
Soft Costs/Fees	\$ 187,000.00
MBE/WBE Project Budget	\$ 5,067,490.00
MBE Total at 24%	\$ 1,216,197.60
WBE Total at 4%	\$ 202,699.60

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT E

SCHEDULE OF TIF-FUNDED IMPROVEMENTS

See the attachment to this cover sheet

Exhibit E
TIF-Funded Improvements

Property assembly costs, including acquisition, demolition of buildings, site preparation, and engineered barriers:	\$8,100,000
TOTAL	\$8,100,000

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount in Section 4.03 and shall not exceed \$8,100,000.

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBITS F AND G

RESERVED

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT H

APPROVED PRIOR EXPENDITURES

See the attachment to this cover sheet

EXHIBIT H
APPROVED PRIOR EXPENDITURES

	Budget	Prior Expenditures
Hard Costs		
Miscellaneous Hard Costs	\$ 3,152,050.00	\$ 312,685.40
Site Prep - Earthwork	\$ 1,712,340.00	\$ 1,225,917.00
Construction Management	\$ 195,000.00	\$ 48,345.00
General Conditions	\$ 100,000.00	
Hard Cost Contingency	\$ 171,066.00	
Total Hard Costs	\$ 5,330,456.00	\$ 1,586,947.40
Soft Costs/Fees		
Architecture and Engineering	\$ 187,000.00	\$ 115,031.24
Permits	\$ 30,000.00	
Legal, Title, Closing Costs	\$ 175,000.00	\$ 146,944.50
Miscellaneous Soft Costs	\$ 487,250.00	\$ 297,224.41
Contingency	\$ 140,000.00	
Total Soft Costs	\$ 1,019,250.00	\$ 559,200.15
Land Acquisition (1)	\$ 5,290,362.00	
Total Uses	\$ 11,640,068.00	\$ 2,146,147.55

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT I

PERMITTED LIENS

Liens or encumbrances against the Property (and related improvements):

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the Closing Date, 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;

That certain declaration and grant of easement to be executed by the Developer as of the Closing Date, related to the private drive serving the Property and other land; and

Equitable interest of People Against Dirty Property Management, LLC, a Delaware limited liability company, pursuant to that certain Purchase and Sale Agreement by and between Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation and People Against Dirty Property Management, Inc., a Delaware limited liability company dated September 26, 2013.

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT J

FORM OF OPINION OF DEVELOPER'S COUNSEL

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

_____, 2013

City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as special counsel to Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit company ("Developer"), in connection with a certain North Pullman and Lake Calumet Area Industrial Redevelopment Project Areas Chicago Neighborhood Initiatives, Inc. Redevelopment Agreement (the "Agreement") of even date herewith, by and between Developer and the City of Chicago, a municipal corporation (the "City"), with a limited joinder by People Against Dirty Property Management, LLC, a Delaware limited liability company. The Agreement relates to the provision of tax increment financing assistance to Developer from the City for Developer's redevelopment of certain property located in the vicinity of 111th Street and Ellis Avenue (the "Property") located in the North Pullman Redevelopment Project Area and the Lake Calumet Redevelopment Area (the "Project"). In that capacity, we have examined, among other things, the Agreement.

In rendering this opinion, we also have examined the original or certified, conformed or photostatic copies of: Judgment searches and other due diligence searches for Illinois with respect to Developer performed by Corporation Service Company and delivered to the Corporation Counsel on _____ (the "Searches"); Developer's Illinois Not-for-Profit Articles of Incorporation certified by the Illinois Secretary of State (the "Illinois Secretary") on _____; Bylaws of Developer (amended and restated effective July 1, 2010) (the "Bylaws"); Developer's Certificate of Good Standing in the State of Illinois certified by the Illinois Secretary on _____; the certificate of Developer attached hereto as Exhibit A and referred to herein (the "Certificate"); records of corporate proceedings of Developer relating to the Project and the Agreement; and such legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed (collectively the "Documents").

In all such examinations, and for the purposes of this opinion, we have assumed: (i) the genuineness of all signatures (other than those of Developer) on the Agreement and Documents; (ii) the authenticity and completeness of documents submitted to us as originals; (iii) the authenticity, completeness and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies; (iv) that all natural persons who executed the Agreement individually or in a representative capacity were legally competent at the time of execution; (v) that all material terms and conditions of the relationship between Developer and any other parties to the Agreement are correctly and completely reflected in the Agreement; and (vi) that the execution and delivery of the Agreement and other documents reviewed by us, and the entry into and performance of the transactions contemplated by the Agreement by all parties other than Developer have been duly authorized by all necessary action and that the Agreement and other documents that we have reviewed have constituted the valid and binding obligations of all parties thereto other than Developer and are enforceable against such parties in accordance with their respective terms.

Based upon the foregoing, and subject to the assumptions, qualifications and limitations set forth herein, it is our opinion that:

Developer is a not-for-profit company duly formed, legally existing and in good standing under the laws of Illinois and has full corporate power and authority to undertake the Project and to carry on its business as presently conducted on the Property.

The Agreement (a) has been properly authorized, executed and delivered by or on behalf of Developer, (b) constitutes the legal, valid and binding obligation of Developer, and (c) is enforceable against Developer in accordance with its terms.

Developer has all requisite corporate power, right, and authority to execute and deliver the Agreement and to perform its obligations thereunder. Such execution, delivery and undertaking of performance will not conflict with, or result in a violation of, Developer's Articles of Incorporation or Bylaws. Based solely on the Certificate, such execution, delivery and undertaking of performance (provided Developer performs in accordance with the terms and conditions of the Agreement) will not result in a material breach or other violation of any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties are bound, or any law, regulation, order, writ, injunction or decree of any court or governmental or regulatory authority. Such execution and delivery, to our knowledge (based on the Certificate and without further investigation), will not: (a) result in the creation of any lien, charge or encumbrance on any property, other than the Property, or assets of Developer, (b) result in a violation of any of the terms, conditions or provisions of any order, writ, injunction or decree entered against Developer by any court, governmental or regulatory authority, (c) constitute grounds for the acceleration of the maturity of any agreements or other instruments to which Developer is a party or by which any of the property of Developer may be bound, or (d) conflict with, constitute an event of default under, or result in a violation of the provisions of any agreement or other instrument of which we have knowledge to which Developer is a party, or by which the properties or assets of Developer are bound.

No authorizations, approvals or consents of, or filings or registrations with, or the giving of notice to, any person or any governmental or regulatory authority or agency of the State of Illinois or any political subdivision thereof are necessary for the execution and

delivery of the Agreement by Developer or for the validity or enforceability thereof against Developer that have not already been obtained or effected.

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

To our knowledge, relying solely on the Searches and the Certificate, and except as set forth in the Searches (copies of which have been delivered to the City), and without further investigation, there are no judgments, or legal, administrative or other governmental proceedings pending or threatened before any court or governmental agency against Developer that would materially and adversely affect its ability to perform its obligations under the Agreement.

To our knowledge, relying solely on the Certificate, without further investigation, there is no default by Developer with respect to any indenture, loan agreement, mortgage, deed of trust, note or any other agreement or instrument to which Developer is a party or by which Developer is bound, a default under which would have a material adverse effect on Developer or its business except as disclosed in the Certificate.

To our knowledge, relying solely on the Certificate, without further investigation, as of the date of this opinion, there are no options, rights or commitments to acquire or transfer any ownership interests of Developer except as permitted under the Agreement or except as provided in the Developer's Bylaws.

To our knowledge, relying solely on the Certificate and the Searches, and except as set forth in the Searches, and without further investigation, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority, or in default of or under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

The opinions set forth above are subject to the following qualifications:

Wherever we indicate that our opinion with respect to the existence or absence of facts is based on our knowledge, our opinion is based solely on (A) the actual knowledge of the attorneys currently with the firm who have represented Developer in connection with the transactions contemplated by the Agreement and of any other attorneys presently in our firm whom we have determined are likely, in the course of representing said party, to have knowledge of the matters covered by this opinion, (B) the representations and warranties of Developer contained in the Agreement, and (C) the Certificate as issued by Developer, and we have not undertaken any independent investigation (and we have not made or caused to be made any review of any court file or indices except as described above with respect to the Searches) and no inference as to our knowledge should be drawn from our representation of Developer or otherwise. However, we know of no facts which lead us to believe such factual matters set forth in the Certificate are untrue or inaccurate;

Your ability to enforce the Agreement may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, and their interpretation by courts of appropriate jurisdiction;

Enforcement of your rights and remedies may be limited by general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law, and the availability of equitable remedies or equitable defenses would be subject to the discretion of the court requested to grant such remedies or allow such defenses; and further, in this regard, we have assumed that you will exercise your rights and remedies under the Agreement in good faith and in circumstances and a manner which are commercially reasonable;

Certain provisions of the Agreement may be rendered unenforceable or limited by applicable laws and judicial decisions;

If, and to the extent, the Agreement is construed to provide for the payment of interest on interest, such provisions may be unenforceable under Bowman v. Neeley, 137 Ill. 443 (1891) and other cases to the same effect;

We express no opinion with respect to provisions in the Agreement which purport to (A) confer, waive or consent to the jurisdiction of any court, (B) provide for service of process except in accordance with applicable law, (C) waive any right granted by statutory or common law, or (D) require indemnification or contribution for liabilities under the provisions of any Federal or state securities law or in respect to the negligent or wrongful conduct of the indemnified party or its representatives or agents; and

We call your attention to the fact that although we represent Developer as special counsel in connection with the subject transaction, we do not represent Developer generally, and our engagement has been limited to the specific matters as to which we have been consulted.

This opinion is limited to the laws of the United States (except as set forth below) and the laws of the State of Illinois and political subdivisions (as to matters set forth in Paragraphs 3 and 4 only) thereof in effect on the date hereof as they presently apply. We shall have no continuing obligations to inform you of changes in law or fact subsequent to the date hereof or of facts of which we become aware after the date hereof.

We express no opinion as to matters of title or priority or perfection of liens or security interests with regard to real and personal property. We understand that, with respect to all real and personal property security interests intended to be created by the Agreement and the priority of the liens thereof, you will rely on a title insurance policy provided to Developer and other searches as you deem adequate, and, accordingly, we express no opinion to such matters.

We have not reviewed and do not opine as to: (i) compliance by the Project with applicable health, fire, safety, building, environmental, subdivision laws, ordinances, codes, rules or regulations, (ii) ERISA laws, rules and regulations, or (iii) Federal or state taxation, banking, securities, USA Patriot Act or other anti-terrorist or "blue sky" laws, rules or regulations.

This opinion is limited to the matters set forth herein. This opinion is provided to you as a legal opinion only and not as a guaranty or warranty of the matter discussed herein or the documents referred to herein. No opinion may be inferred or implied beyond the matters expressly contained herein, and no portion of this opinion may be quoted or in any other way published without the express written consent of the undersigned. This opinion is rendered solely for your benefit and no other person or entity shall be entitled to rely on any matter set forth herein without the express written consent of the undersigned.

Very truly yours,

INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT K

MINIMUM ASSESSED VALUE

Real Estate Tax Levy Year	Minimum Assessed Value
2015	\$2,719,099
2016	\$2,928,198
2017	\$2,928,198
2018	\$2,928,198
2019	\$3,153,377
2020	\$3,153,377
2021	\$3,153,377
2022	\$3,395,872
2023	\$3,395,872
2024	\$3,395,872
2025	\$3,657,016
2026	\$3,657,016
2027	\$3,657,016
2028	\$3,938,240
2029	\$3,938,240
2030	\$3,938,240
2031	\$4,241,089
2032	\$4,241,089

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT L

FORM OF PAYMENT AND PERFORMANCE BOND

A form of payment and performance bond is attached to this exhibit cover sheet.

CONTRACTOR'S PERFORMANCE & PAYMENT BOND

Knows All Men by these Presents, That we,

Principal, hereinafter referred to as Contractor, and

Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of _____ lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this

day of

A.D., 199

The Condition of the Above Obligation is such,

That whereas the above

undersigned Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing date the

day of

A.D. 19 . for

SPECIMEN

the said contract is incorporated herein by reference in its entirety, including without limitation, any and all indemnification provisions.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and there shall save, indemnify, and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgements, costs, and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any respect whatever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Purchasing Agent, and/or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of requirements of said contract, wherefore the said Purchasing Agent shall have elected to suspend or cancel the same, and shall pay all sums and demands whatsoever, which may accrue to each and every materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with respect to whom he gets paid at prevailing wage rates if so required by said contract, and shall insure its liability to pay the compensation, and shall pay all sums and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person, under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act, 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.

And it is hereby expressly understood and agreed, and made a condition hereof, that any judgement rendered against said City in any suit based upon any loss, damages, claims, liabilities, judgements, costs or expenses which may in anywise accrue against said City as a consequence of the granting of said contract, or which may in anywise result therefrom, or which may in anywise result from any injuries, or death of, any person, or damage to any real or personal property, arising directly or indirectly from, or in connection with, work performed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or anyone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or judgement thereon, rendered against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the pendency or arbitration proceedings or suit shall have been given said Contractor, shall be conclusive against each and all parties to this litigation, as to amount, liability and all other things pertaining thereto.

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as a subcontractor, otherwise, shall have the right to sue on this bond in the name of the City of Chicago for his use and benefit and in such suit said person plaintiff shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless production thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided, that nothing in this bond contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any greater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended; provided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of action unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the last item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor within 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no office of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences of each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the material was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public improvement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice as provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively appear that such defect has prejudiced the rights of an interested party asserting the same; provided, further, that no action shall be brought until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of material, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the expiration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that no action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work. Any suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have been performed.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms or conditions of any of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said Contract Documents or to the work.

Dated this _____ day of _____, 199__

Purchasing Agent

Approved as to form and legality:

Assistant Corporation Counsel

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT M

RESERVED

NORTH PULLMAN AND LAKE CALUMET INDUSTRIAL AREA
REDEVELOPMENT PROJECT AREAS

CHICAGO NEIGHBORHOOD INITIATIVES, INC.
REDEVELOPMENT PROJECT

Redevelopment Agreement
dated as of December 9, 2013

EXHIBIT N

CITY FUNDS REQUISITION FORM

A form of the City Funds Requisition Form is attached to this exhibit cover sheet.

REQUISITION FORM

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The affiant, Chicago Neighborhood Initiatives, Inc. ("Developer"), hereby certifies that with respect to that certain Chicago Neighborhood Initiatives, Inc. Redevelopment Agreement between Developer and the City of Chicago dated as of _____, 2013 (the "Redevelopment Agreement"):

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

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

\$ _____

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

\$ _____

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

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

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment 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 Redevelopment Agreement.

Chicago Neighborhood Initiatives, Inc., an
Illinois not-for-profit corporation

By:
Printed
Name:
Title:

Subscribed and sworn before me this ____
day of _____

My commission expires:

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2013

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the North Pullman Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the North Pullman Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2013, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the North Pullman Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bansley and Kiener, L.L.P.

Certified Public Accountants

June 30, 2014

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the North Pullman Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2013. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The governmental-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

Condensed Comparative Financial Statements

The condensed comparative financial statements are presented on the following page.

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$1,513 for the year. This was an increase of 106 percent over the prior year. The change in net position produced a decrease in net position (including other financing sources - net) of \$93,270. The Project's net position decreased by 48 percent from the prior year making available \$99,798 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Concluded)

Government-Wide

	<u>2013</u>	<u>2012</u> <u>(as restated)</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 1,603,799	\$ 319,053	\$ 1,284,746	403%
Total liabilities	<u>1,504,001</u>	<u>125,985</u>	<u>1,378,016</u>	1,094%
Total net position	<u>\$ 99,798</u>	<u>\$ 193,068</u>	<u>\$ (93,270)</u>	-48%
Total revenues	\$ 4,389	\$ (23,812)	\$ 28,201	118%
Total expenses	<u>8,114,599</u>	<u>230,671</u>	<u>7,883,928</u>	3,418%
Other financing sources - net	<u>8,016,940</u>	<u>-</u>	<u>8,016,940</u>	100%
Changes in net position	<u>(93,270)</u>	<u>(254,483)</u>	<u>161,213</u>	63%
Ending net position	<u>\$ 99,798</u>	<u>\$ 193,068</u>	<u>\$ (93,270)</u>	-48%

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2013

<u>ASSETS</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 1,600,597	\$ -	\$ 1,600,597
Property taxes receivable	326	-	326
Accrued interest receivable	<u>2,876</u>	<u>-</u>	<u>2,876</u>
Total assets	<u>\$ 1,603,799</u>	<u>\$ -</u>	<u>\$ 1,603,799</u>
 <u>LIABILITIES</u>			
Vouchers payable	\$ 1,500,000	\$ -	\$ 1,500,000
Due to other City funds	9	-	9
Other accrued liability	<u>3,992</u>	<u>-</u>	<u>3,992</u>
Total liabilities	<u>1,504,001</u>	<u>-</u>	<u>1,504,001</u>
 <u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>99,798</u>	(99,798)	-
Total liabilities and fund balance	<u>\$ 1,603,799</u>		
Net position:			
Restricted for future redevelopment project costs		<u>99,798</u>	<u>99,798</u>
Total net position		<u>\$ 99,798</u>	<u>\$ 99,798</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 81,556	\$ (80,043)	\$ 1,513
Interest	2,876	-	2,876
Total revenues	84,432	(80,043)	4,389
Expenditures/expenses:			
Economic development projects	8,114,599	-	8,114,599
Excess of expenditures over revenues	<u>(8,030,167)</u>	<u>(80,043)</u>	<u>(8,110,210)</u>
Other financing sources (uses):			
Tax liability distribution (Note 2)	(83,060)	-	(83,060)
Operating transfers in (Note 3)	8,100,000	-	8,100,000
Total other financing sources - net	<u>8,016,940</u>	<u>-</u>	<u>8,016,940</u>
Excess of expenditures and other financing uses over revenues and other financing sources	(13,227)	13,227	-
Change in net position	-	(93,270)	(93,270)
Fund balance/net position:			
Beginning of year, as restated (Note 4)	<u>113,025</u>	<u>80,043</u>	<u>193,068</u>
End of year	<u>\$ 99,798</u>	<u>\$ -</u>	<u>\$ 99,798</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ (13,227)
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>(80,043)</u>
Change in net position - governmental activities	<u>\$ (93,270)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In June 2009, the City of Chicago (City) established the North Pullman Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). Effective January 2013, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, standardized the presentation of deferred outflows and inflows of resources and their effect on the Project's net position. The financial impact resulting from the implementation of GASB Statement No. 63 is primarily the change in terminology from Net Assets to Net Position. In addition, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented to establish accounting and financial reporting standards that reclassify as deferred inflows of resources, certain items that were previously reported as liabilities and recognizes, as inflows of resources, certain items that were previously reported as liabilities.

Previously, GASB Statement No. 34 (as amended) was implemented and included the following presentation:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under the *modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Position*

Cash and Investments

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Deferred Inflows

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental fund financial statements.

Capital Assets

Capital assets are not capitalized in the governmental fund but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental fund as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection.

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Tax Liability Distribution

During 2013, the Project paid \$83,060 to the Cook County Treasurer's Office to settle an outstanding tax liability.

Note 3 – Operating Transfers In

During 2013, in accordance with State statutes, the Project received \$6,100,000 from the contiguous Lake Calumet Area Industrial (\$5,300,000) and Roseland/Michigan (\$800,000) Redevelopment Projects for a redevelopment agreement with Pullman Park Development LLC for their development near 111th/Doty Avenue. In addition, the Project received \$2,000,000 from the contiguous Stony Island Avenue Commercial and Burnside Industrial Corridors (\$1,500,000) and Roseland/Michigan (\$500,000) Redevelopment Projects for a redevelopment agreement with Chicago Neighborhood Initiatives Inc. for their development near 111th/Ellis Avenue.

Note 4 – Prior Period Adjustment

The net position at December 31, 2012 has been restated to reflect a change in the 2013 property tax levy due to a decrease in assessed valuation in the Project area. The net position, beginning of the year, on the statement of activities has been reduced by \$37,744.

Note 5 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2013, the Project has entered into contracts for approximately \$64,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
NORTH PULLMAN REDEVELOPMENT PROJECT
SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 2,466
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	8,100,000
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	<u>12,133</u>
	<u><u>\$ 8,114,599</u></u>



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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of North Pullman Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2013, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 30, 2014.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the North Pullman Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.
Certified Public Accountants

June 30, 2014