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Attendance At Meeting.


Absent -- Alderman Brookins.

Call To Order.

On Wednesday, April 19, 2023 at 10:00 A.M., the Honorable Lori E. Lightfoot, Mayor, called the City Council to order. The Honorable Andrea M. Valencia, City Clerk, then called the roll of members and it was found that there were present at that time: Aldermen La Spata, Hopkins, Dowell, Mitchell, Harris, Sadlowski Garza, Abarca, Quinn, Lopez, Moore, O'Shea, Taylor, Rodriguez, Tabares, Scott, Sigcho-Lopez, Maldonado, Burnett, Ervin, Taliaferro, Reboyras, Cardona, Waguespack, Rodriguez-Sanchez, Villegas, Mitts, Vasquez, Napolitano, Reilly, Knudsen, Gardiner, Cappleman, Martin, Osterman, Hadden -- 35.

Quorum present.

Pledge Of Allegiance.

Mayor Lori E. Lightfoot led the City Council and assembled guests in the Pledge of Allegiance to the Flag of the United States of America.

Invocation.

Reverend L. Bernard Jakes of the West Point Missionary Baptist Church opened the meeting with prayer.
PUBLIC COMMENT.

In accordance with the City Council's Rules of Order and Procedure, the following members of the general public addressed the City Council:

George Blakemore
Vick Murray
Zakiyyah Muhammad
Karla Altmayer

In accordance with the City Council's Rules of Order and Procedure, the following members of the general public submitted written comments to the City Council:

Karla Altmayer
Neha Gill
John Paul Jones (Sustainable Englewood Initiatives)
John Paul Jones (Grow Greater Englewood)

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Rules Suspended -- CELEBRATION OF 150TH ANNIVERSARY OF CHICAGO PUBLIC LIBRARY.

[R2023-668]

The Honorable Lori E. Lightfoot, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith, together with Aldermen Coleman, Gardiner, Moore, Mitts, Osterman, Scott, Rodriguez-Sanchez, Hairston, Abarca,
Ramirez-Rosa, Rodriguez, Sposato, Villegas, Hadden, Vasquez, O'Shea, Cappleman, Waguespack, Knudsen, Dowell, La Spata and Martin, a resolution celebrating the 150th anniversary of the Chicago Public Library.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.

Alderman Mitchell moved to Suspend the Rules Temporarily to permit immediate consideration of and action upon the said proposed resolution. The motion Prevailed.

The following is said proposed resolution:

WHEREAS, Chicago Public Library marks its 150th anniversary, a monumental milestone that speaks to the enduring legacy of generations of City leaders, aldermen and residents whose dedication has fostered the intellectual and cultural growth of generations of Chicagoans; and

WHEREAS, The Chicago Public Library has transformed from a modest beginning in an abandoned water tank to a robust network of 81 community hubs that provide free and equitable access to a wealth of resources, information, early literacy programming, broadband and cultural opportunities, thanks to a commitment to continuous innovation; and

WHEREAS, Chicago Public Library has been a pillar of the City’s educational, social, and economic development, and a global model for libraries, introducing pioneering service models like One Book, One Chicago, YOUmedia, Teacher in the Library and award-winning architectural design; and

WHEREAS, The Chicago Public Library has been a trailblazer in promoting equity, inclusion, and diversity, actively breaking down barriers to access, becoming the largest city library in the country to go fine free, establishing libraries as Book Sanctuaries and offering culturally responsive services to all community members; and

WHEREAS, The Chicago Public Library has fostered community and lifelong learning by partnering with schools and organizations, providing simplified and unlimited library access to all Chicago Public Schools students through The 81 Club; and

WHEREAS, In the face of unprecedented challenges posed by the COVID-19 pandemic, the Chicago Public Library stood tall and kept the City connected to knowledge, broadband and learning through innovative programs like Live from the Library. With unwavering support from Chicago's celebrities, civic leaders, and library staff, the program garnered millions of views from people in dozens of countries around the world; and
WHEREAS, The Chicago Public Library Foundation's civic and philanthropic partnership has been crucial to the Library's growth as an international leader, and has enabled unprecedented programming improvements over the past three decades; and

WHEREAS, The Chicago Public Library has received numerous awards and accolades, including a National Medal for Museum and Library Service in 2014; and

WHEREAS, The Chicago Public Library celebrates its 150th anniversary with a year-long series of public events across the City to showcase the Library's collections, programs, and services, with a special focus on Chicago performers, authors, and artists who have enriched the City's cultural heritage; and

WHEREAS, The Chicago Public Library is committed to shaping the future of libraries by continuously reimagining what they can offer through innovative design, enriched collections, and inspiring authors that captivate the City; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled this 19th day of April 2023, do hereby honor the Chicago Public Library on its 150th anniversary; celebrate its many achievements in providing world-class learning resources and cultural events; and extend to it our best wishes for continued growth and success.

On motion of Alderman Harris, seconded by Aldermen Hadden, Ervin, La Spata, Sposato, Burnett, Mits, Lee, Moore, Silverstein, Sigcho-Lopez, Osterman, Hairston, Rodriguez-Sanchez, Vasquez and Nugent, the foregoing resolution was Adopted by yeas and nays as follows:


Nays – None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, the Honorable Lori E. Lightfoot, Mayor, joined the members of the City Council in honoring the Chicago Public Library on its 150th anniversary. Declaring her deep appreciation for the invaluable services provided by libraries, Mayor Lightfoot proclaimed the Chicago Public Library system as the “best in the nation.” The Chicago Public Library system has evolved from modest beginnings in a water tower, the Mayor stated, and over the past 150 years has grown to a robust network of 81 community hubs throughout every neighborhood. Expressing her appreciation to former Library Commissioner Mary Dempsey for her leadership in helping to modernize our library system, Mayor Lightfoot also thanked Mayor Richard M. Daley for recognizing and understanding the power of libraries as a community connector and a tool for economic development. Mayor Lightfoot furthermore thanked librarians and library staff for their passion and service in helping Chicago’s students and young people enjoy and cherish the magic of libraries and learning. Mayor Lightfoot also
conveyed her gratitude to current Chicago Public Library Commissioner Chris Brown and the chairs of the respective boards for innovating and reimagining what our libraries can offer to Chicagoans. Recent initiatives including the elimination of library late fees and removal of outstanding debt for library patrons, establishment of new Sunday library hours, and launch of the YOUMedia teen centers helped to remove unfair barriers to basic library access, the Mayor declared, and foster lifelong learning programs that serve Chicago's diverse and underserved communities by connecting residents to essential resources and services. Addressing the critics who question whether libraries are still relevant, Mayor Lightfoot responded “Yes, now more than ever” and maintained that the library system stands as a bastion against book bans and affirms the importance of free speech and cautioned the importance of not politicizing libraries but rather supporting them as pillars to our City’s educational, social, and economic development. Chicago Public Libraries played an invaluable role during the Covid pandemic, the Mayor continued, by offering knowledge and learning through innovative online programs, by educating Chicagoans about the virus, testing and vaccines, and by partnering with schools, parks, and others to ensure that safety nets in our infrastructure were available for our families and our children and we are truly grateful. Mayor Lightfoot then invited City of Chicago First Lady Amy Eshleman, Chicago Public Library Board President Linda Johnson Rice, Chicago Public Library Board Vice President Christopher P. Valenti, Chicago Public Library Board Secretary Lynn Lockwood, Chicago Public Library Board of Directors member Michelle T. Boone, Chicago Public Library Foundation Board Chairman Bob Wislow, Chicago Public Library Foundation President and Chief Executive Officer Brenda Langstraat Bui, former Chicago Public Library Commissioner Mary Dempsey, current Chicago Public Library Commissioner Chris Brown, current Chicago Public Library First Deputy Commissioner Mary Ellen Messner, current Chicago Public Library First Deputy Commissioner Teri Campbell and current Chicago Public Library First Deputy Commissioner Maggie Clemons to the Mayor’s rostrum where she presented them with a parchment copy of the congratulatory resolution.

Rules Suspended -- CONGRATULATIONS EXTENDED TO DE PAUL COLLEGE PREP HIGH SCHOOL BASKETBALL TEAM ON WINNING STATE CHAMPIONSHIP.

[R2023-669]

The Honorable Lori E. Lightfoot, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith, together with Aldermen Coleman, Gardiner, Moore, Mitts, Osterman, Scott, Rodriguez-Sanchez, Hairston, Abarca,
Ramirez-Rosa, Rodriguez, Sposato, Villegas, Hadden, Vasquez, O'Shea, Cappleman, Waguespack, Knudsen and Martin, a resolution congratulating DePaul College Prep High School basketball team for winning the State championship.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,

Mayor.

Alderman Mitchell moved to Suspend the Rules Temporarily to permit immediate consideration of and action upon the said proposed resolution. The motion Prevailed.

The following is said proposed resolution:

WHEREAS, High school basketball teams across the state compete for the Illinois High School Association boys basketball championship each year; and

WHEREAS, Basketball helps students develop discipline, a strong work ethic, teamwork, and mental and physical toughness; and

WHEREAS, DePaul College Prep won the 2023 Illinois High School Association 2A boys basketball championship; and

WHEREAS, The DePaul Prep Rams defeated Central Catholic High School of Bloomington, Illinois, 65-41 at State Farm Center in Champaign, Illinois; and

WHEREAS, Tom Kleinschmidt, who has served as head basketball coach at DePaul College Prep since 2012, led the team to a commanding victory; and

WHEREAS, This championship win gave the long-storied DePaul College Prep basketball program its first state title in school history; and

WHEREAS, The DePaul College Prep boys basketball team has previously raised IHSA regional championships in 2015, 2016, 2017, 2018, 2019, 2020, 2022 and 2023; and

WHEREAS, The DePaul College Prep basketball team won the 2021 Chipotle Clash of Champions tournament; and

WHEREAS, Chicago's high school basketball teams help students overcome adversity and learn the importance of determination, perseverance, and camaraderie; and
WHEREAS, The members of this chamber are pleased to congratulate all of the members and coaching staff of DePaul College Prep's boys basketball team on their well-earned championship title; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled here this 19th day of April 2023, do hereby applaud and congratulate Coach Tom Kleinschmidt and the DePaul College Prep boys basketball team on their championship performance; and

Be It Further Resolved, That suitable copies of this resolution be presented to DePaul College Prep as a token of our respect and of our best wishes for a bright and prosperous future.

On motion of Alderman Harris, seconded by Aldermen Osterman, Martin, Moore, Sposato and Gardiner, the foregoing resolution was Adopted by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, the Honorable Lori E. Lightfoot, Mayor, rose and joined the members of the City Council in congratulating the DePaul College Prep High School Basketball Team on winning the 2023 Illinois High School Association 2A Boys Basketball championship. Mayor Lightfoot also recognized and thanked Head Coach Tom Kleinschmidt for his guidance and encouragement in helping to mentor and motivate student athletes and prepare them for future success. Lauding the team's extraordinary performance throughout the season, Mayor Lightfoot commended the student athletes for their perseverance, determination and talent and attributed their success to the quality and commitment of both the players and coaches. With the roster changing each season, new players are called to step into the roles once occupied by senior starters and once again this year's team proved up to the challenge ending with a winning season and worthy of "bragging rights for a lifetime", the Mayor stated. Declaring the players a source of pride to their families, their school and the City of Chicago, Mayor Lightfoot invited DePaul College Prep President Mary Dempsey, Athletic Director Pat Mahoney, Coach Mike Sneed and various players representing the DePaul College Prep High School Boys Basketball Team to the Mayor's rostrum where she presented them with a parchment copy of the congratulatory resolution.
Rules Suspended -- CONGRATULATIONS EXTENDED TO COACH ROBERT SMITH OF SIMEON CAREER ACADEMY ON OUTSTANDING COACHING CAREER.

[R2023-670]

The Honorable Lori E. Lightfoot, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith, together with Aldermen Coleman, Gardiner, Moore, Mits, Osterman, Scott, Rodriguez-Sanchez, Hairston, Abarca, Ramirez-Rosa, Rodriguez, Sposato, Villegas, Hadden, Vasquez, O'Shea, Cappleman, Waguespack, Knudsen and Martin, a resolution congratulating Coach Robert Smith of Simeon Career Academy for an outstanding coaching career.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.

Alderman Mitchell moved to Suspend the Rules Temporarily to permit immediate consideration of and action upon the said proposed resolution. The motion Prevailed.

The following is said proposed resolution:

WHEREAS, Neal F. Simeon Career Academy High School has a long and storied history of sports success; and

WHEREAS, For the past 19 seasons, Coach Robert Smith has been instrumental to that success in Simeon's basketball history; and

WHEREAS, Robert Smith graduated from Simeon, and therefore understood the importance and weight that sports carry at Simeon when he started as head coach in 2004; and
WHEREAS, While Robert Smith was head coach, Simeon won over 500 games in 19 seasons; and

WHEREAS, During those 19 seasons, Simeon lost fewer than 100 games; and

WHEREAS, One of the most successful coaches in Illinois and CPS history, Robert Smith led Simeon to eight City championships and six state titles; and

WHEREAS, Coach Smith’s six state championships are the most of any boys’ basketball coach in Illinois history; and

WHEREAS, Many of Simeon’s basketball players over the last 19 years have gone on to college basketball teams, and some have even become professional basketball players, including Derrick Rose, Jabari Parker, Talen Horton-Tucker, Kendrick Nunn and more; and

WHEREAS, Coach Smith’s impact on student-athletes throughout Chicago has truly been incredible; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled this 19th day of April 2023, do hereby congratulate Robert Smith on his retirement, express our gratitude for his years of distinguished public service to the Simeon Career Academy High School, and extend to him our very best wishes for his happiness and continued success; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Mr. Robert Smith as a token of our appreciation and esteem.

On motion of Alderman Harris, seconded by Aldermen Sposato, Moore and Gardiner, the foregoing resolution was Adopted by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, the Honorable Lori E. Lightfoot, Mayor, rose and joined the members of the City Council in congratulating Robert Smith on his outstanding success and accomplishments as head coach at Neal F. Simeon Career Academy. Although lauded for his remarkable coaching career and amassing a winning record of over 500 games with fewer than 100 loses and capturing six state championships during 19 seasons, Coach Smith is not
someone who seeks the limelight but rather a leader who redirects the attention and credit to
his players which "speaks volumes to who he is as a person", the Mayor observed. Under
Coach Smith's guidance and nurturing, the Simeon Career Academy Boys Basketball Team
has garnered a proud history of developing and showcasing the burgeoning careers of many
successful athletes including Derrick Rose, Jabari Parker, Talen Horton-Tucker and Kendrick
Nunn, the Mayor noted, and once again this year's team possess the talent to go on to college
basketball teams and even professional basketball teams. Recalling the recent game between
Simeon Career Academy and Kenwood High School where the two teams went into overtime,
Mayor Lightfoot credited Coach Smith's ability to keep his team focused and cohesive while
under immeasurable pressure as key to their victory and a testament to his amazing
leadership. A graduate of Neal F. Simeon Career Academy himself, Coach Smith has coached
many young men not only on the basketball court, the Mayor observed, but also prepared
them to be good leaders and "strong Black men and for that we will always be forever grateful."
Mayor Lightfoot then invited Coach Robert Smith to the Mayor's rostrum where she presented
him with a parchment copy of the congratulatory resolution.

Rules Suspended -- COMMEMORATION OF ARAB AMERICAN HERITAGE MONTH.
[R2023-667]

The Honorable Lori E. Lightfoot, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith, together with Aldermen Coleman,
Gardiner, Moore, Mitts, Osterman, Scott, Rodriguez-Sanchez, Hairston, Abarca,
Ramirez-Rosa, Rodriguez, Sposato, Villegas, Hadden, Vasquez, O’Shea, Cappelman,
Waguespack, Knudsen, Dowell, La Spata and Martin, a resolution commemorating
Arab American Heritage Month.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.
Alderman Mitchell moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the said proposed resolution. The motion *Prevailed*.

The following is said proposed resolution:

*WHEREAS,* From April 1 through April 30 each year, the United States celebrates Arab American Heritage Month; and

*WHEREAS,* Arab Americans are part of the fabric of Chicago, and have played an important role in shaping, advancing, and enriching this City with their rich cultures, traditions, and histories; and

*WHEREAS,* In the middle of the 20th century, Arab Americans established communities in the Chicago Lawn and Gage Park community areas, and those neighborhoods, along with many others, remain home to thriving Arab American populations; and

*WHEREAS,* Arab Americans now have a significant presence throughout the City of Chicago, Cook County, and the State of Illinois; and

*WHEREAS,* The United States Census Bureau reports that the statewide Arab American population is close to 143,000, with at least 108,000 in the Chicago area, although experts estimate that this number is likely significantly lower than the actual number of Arab Americans residing in Illinois; and

*WHEREAS,* In recognition of their unique needs, the State of Illinois General Assembly has introduced a bill ensuring that Arab Americans are counted in government data; and

*WHEREAS,* During Arab American Heritage Month, it is imperative to increase awareness about key issues and priorities within the Arab American community and combat harmful stereotypes, prejudice, and discrimination; and

*WHEREAS,* Arab Americans have made innumerable contributions to academia, business, medicine, government, arts and sciences, and social justice, making our City a better place to live; and

*WHEREAS,* The City of Chicago is deeply enriched by the diversity of its residents, and the City is proud to be home to a large and thriving Arab American population; now, therefore,

*Be It Resolved,* That we, the Mayor and members of the City Council of the City of Chicago, assembled this 19th day of April 2023, do hereby designate April 2023 as Arab American Heritage Month in Chicago, and encourage all Chicagoans to acknowledge the contributions of Arab Americans to the vibrant culture, identity, and history of our great City.
On motion of Alderman Harris, seconded by Aldermen Moore, Hadden, Lopez, Lee, Waguespack, Villegas, Silverstein, Burnett and La Spata, the foregoing resolution was Adopted by yeas and nays as follows:


Nays — None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, the Honorable Lori E. Lightfoot, Mayor, rose and joined the members of the City Council in commemorating Arab American Heritage Month. Mayor Lightfoot expressed her appreciation to MENA Engagement Council Chairs Salman Aftab and Sabha Abour and MENA Engagement Council members Abder Ghouleh, Rush Dervish, Hassan Nijem and Amani Ghouleh for their support and partnership throughout the past four years. Arab Americans have made innumerable contributions to our city and are part of the fabric of Chicago, the Mayor observed, and to preserve this connection we must combat harmful stereotypes, prejudice, and discrimination and stand united against hate and ignorance. While much has been accomplished in addressing issues and priorities within the Arab American community there is still work to be done and, the Mayor stated, "I am confident that we have paved the right path for the journey to continue." Mayor Lightfoot then invited MENA Engagement Council Chairs, Salman Aftab and Sabha Abour and MENA Engagement Council members, Abder Ghouleh, Rush Dervish, Hassan Nijem and Amani Ghouleh to the Mayor's rostrum where she presented them with a parchment copy of the congratulatory resolution.

REGULAR ORDER OF BUSINESS RESUMED.

Referred — APPOINTMENT OF WHITNEY K. CASTLE AS MEMBER OF SOUTH WESTERN AVENUE COMMISSION (SPECIAL SERVICE AREA NO. 20).

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Economic, Capital and Technology Development:
OFFICE OF THE MAYOR  
CITY OF CHICAGO  

April 19, 2023  

To the Honorable, The City Council of the City of Chicago:  

LADIES AND GENTLEMEN -- I have appointed Whitney K. Castle as a member of Special Service Area Number 20, the South Western Avenue Commission, for a term effective immediately and expiring December 1, 2024, to succeed Thomas W. Baffes, whose term has expired.  

Your favorable consideration of this appointment will be appreciated.  

Very truly yours,  
(Signed) LORI E. LIGHTFOOT,  
Mayor.  

Referred -- REAPPOINTMENT OF JOHN L. RATZENBERGER AS MEMBER OF LINCOLN SQUARE COMMISSION (SPECIAL SERVICE AREA NO. 21).  

(A2023-45)  

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Economic, Capital and Technology Development.  

OFFICE OF THE MAYOR  
CITY OF CHICAGO  

April 19, 2023  

To the Honorable, The City Council of the City of Chicago.  

LADIES AND GENTLEMEN -- I have reappointed John L. Ratzenberger as a member of Special Service Area Number 21, the Lincoln Square Commission, for a term expiring January 25, 2026, such period allocated as follows: a term effective immediately and expiring January 25, 2024, followed immediately by a full two-year term.
Your favorable consideration of this appointment will be appreciated

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.

Referred -- APPOINTMENT OF MARIANNE CANDIDO AS MEMBER OF ANDERSONVILLE COMMISSION (SPECIAL SERVICE AREA NO. 22). [A2023-42]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Economic, Capital and Technology Development.

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago.

LADIES AND GENTLEMEN -- I have appointed Marianne Candido as a member of Special Service Area Number 22, the Andersonville Commission, for a term effective immediately and expiring April 10, 2025, to succeed Rolando Esparza, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor
Referred -- REAPPOINTMENT OF DOMINIC IRPINO AS MEMBER OF UPTOWN COMMISSION (SPECIAL SERVICE AREA NO. 34).

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Economic, Capital and Technology Development:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I have reappointed Dominic Irpinò as a member of Special Service Area Number 34, the Uptown Commission, for a term effective immediately and expiring October 4, 2024.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed)  LORI E. LIGHTFOOT,  
Mayor

Referred -- APPOINTMENT OF ERYN E. WHITE AS MEMBER OF CALUMET HEIGHTS/AVALON COMMISSION (SPECIAL SERVICE AREA NO. 50).

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Economic, Capital and Technology Development.

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I have appointed Eryn E. White as a member of
Special Service Area Number 50, the Calumet Heights/Avalon Commission, for a term effective immediately and expiring July 28, 2025, to succeed Rethel T. Dixon, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.

Referral -- ISSUANCE OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS OR NOTES TO DL3 THRIVE EXCHANGE LIHTC SOUTH LLC FOR ACQUISITION OF PROPERTY AT SOUTHEAST CORNER OF E. 79TH ST. AND S. EXCHANGE AVE. FOR DEVELOPMENT OF LOW-INCOME RENTAL UNITS, COMMERCIAL SPACE AND FEDERALLY FUNDED HEALTH CENTER.

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Finance.

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of tax-exempt housing revenue bonds for the construction of the Thrive Exchange South project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.
Referred -- RESTRUCTURING OF LOAN AGREEMENT WITH RENAISSANCE PARTNERS LIMITED PARTNERSHIP, RENAISSANCE PARTNERS CORPORATION FOR ADDITIONAL FINANCIAL ASSISTANCE OR MODIFICATION THROUGH MULTI-FAMILY GRANT AND TAX INCREMENT FINANCING FUNDS FOR REHABILITATION OF BUILDING AT 3747 -- 3763 S. WABASH AVE. [O2023-1645]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Finance.

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of financial assistance for the rehabilitation of Renaissance Apartments.

Your favorable consideration of this ordinance will be appreciated

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor

Referred -- FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT WITH CHICAGO PARK DISTRICT TO INCREASE PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FOR RENOVATION OF PUBLIC FIELDHOUSE AT BLACKHAWK PARK, 2318 N. LAVERGNE AVE [O2023-1603]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Finance:
OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of the first amendment to the intergovernmental agreement with the Chicago Park District to provide TIF funds for improvements at Blackhawk Park.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.

Referred -- REDEVELOPMENT AGREEMENT WITH AND PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO 221 EAST 49TH STREET LLC FOR DEVELOPMENT OF OVERTON CENTER OF EXCELLENCE AT 221 E. 49TH ST.

[O2023-1639]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Finance:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago.

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a redevelopment agreement with 221 East 49th Street LLC for the development of Overton Center of Excellence.
Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.

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Referred -- REDEVELOPMENT AGREEMENT WITH AND PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO HUDSON MICHIGAN AVENUE OWNER LLC FOR CONSTRUCTION OF VARIED INCOME RESIDENTIAL UNITS, COMMERCIAL, RETAIL AND EVENT SPACE AT 2222 S. MICHIGAN AVE. [O2023-1647]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Finance:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a TIF redevelopment agreement with Hudson Michigan Avenue Owner LLC for improvements at 2222 South Michigan Avenue.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor
Refereed -- REDEVELOPMENT AGREEMENT WITH AND PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO STEEP THEATRE COMPANY FOR CAPITAL PROJECT AT 5300 -- 5318 N. KENMORE AVE.

[O2023-1590]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Refereed to the Committee on Finance:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a TIF redevelopment agreement with Steep Theatre Company for the rehabilitation of the property located at 5300 -- 5318 North Kenmore Avenue

Your favorable consideration of this ordinance will be appreciated

Very truly yours,

(Signed) LORI E LIGHTFOOT,
Mayor.

Refereed -- CONVEYANCE OF CITY-OWNED PROPERTIES AT 4553, 4555, 4559 AND 4569 N. PULASKI RD AND PROVISION OF OPEN SPACE FEES TO NEIGHBORSSPACE FOR FIRST NATIONS GARDEN PROJECT.

[O2023-1640]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Refereed to the Committee on Finance.
OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the provision of funds and land transfers for improvements at First Nations Garden.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.

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Referred -- EXTENSION AND AMENDMENT OF CONCESSIONAIRE COVID-19 ECONOMIC RELIEF AGREEMENT AT CHICAGO O’HARE INTERNATIONAL AND MIDWAY INTERNATIONAL AIRPORTS FOR MAXIMUM RENEWED DURATION OF NO LONGER THAN FIVE YEARS.

[O2023-1589]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Aviation.

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago

LADIES AND GENTLEMEN -- At the request of the Commissioner of Aviation, I transmit herewith an ordinance authorizing the provision of certain relief to airport concessionaires
Your favorable consideration of this ordinance will be appreciated

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor

Referred -- ACQUISITION OF STATE-OWNED PROPERTY COMMONLY KNOWN
AS 5400 W. 63RD ST.

[O2023-1587]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was
Referred to the Committee on Aviation:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago

LADIES AND GENTLEMEN -- At the request of the Aviation Commissioner, I transmit
herewith an ordinance authorizing the acquisition of a State-owned property located at
5400 West 63rd Street

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E LIGHTFOOT,
Mayor.
Referred -- SUPPLEMENTAL APPROPRIATION AND AMENDMENT OF YEAR 2023 ANNUAL APPROPRIATION ORDINANCE WITHIN FUND NO. 925.

[O2023-1604]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on the Budget and Government Operations:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Budget Director, I transmit herewith a Fund 925 amendment.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor

Referred -- REDEVELOPMENT AGREEMENT WITH ROME'S JOY CATERING, INC. AND PROVISION OF NEIGHBORHOOD OPPORTUNITY FUNDS AND LOCAL HIRING FUNDS FOR BALLROOM CONVERSION TO COMMUNITY-BASED SOCIAL CLUB AND CO-WORKING SPACE AT 4455 S. DR. MARTIN LUTHER KING, JR. DR.

[O2023-1607]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on the Budget and Government Operations:
OFFICE OF THE MAYOR  
CITY OF CHICAGO  

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a redevelopment agreement with Clifford Rome for improvements at Rome's Joy.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,  
Mayor

Referred -- REDEVELOPMENT AGREEMENT WITH AND GRANT OF NEIGHBORHOOD OPPORTUNITY FUNDS TO CUP O' JOE COFFEE LLC FOR IMPROVEMENTS TO VETERAN ROASTERS AT 756 E. 111TH ST.  
[02023-1615]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on the Budget and Government Operations:

OFFICE OF THE MAYOR  
CITY OF CHICAGO  

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a redevelopment agreement with Cup O' Joe Coffee LLC for improvements at Veteran Roasters.
Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT, Mayor

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Referred -- AMENDMENT OF YEAR 2023 ANNUAL APPROPRIATION ORDINANCE REGARDING OPIOID SETTLEMENT AND VAPING SETTLEMENT FUNDS.

[O2023-1605]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on the Budget and Government Operations:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Budget Director, I transmit herewith an ordinance to appropriate Opioid and Vaping settlement funds.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT, Mayor.

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Referred -- SUPPORT OF CLASS 6(b) TAX INCENTIVE FOR PROPERTY AT 6500 W. CORTLAND ST.

[O2023-1608]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Economic, Capital and Technology Development:
To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing a Class 6(b) tax incentive for a property located at 6500 West Cortland Street.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E LIGHTFOOT,
Mayor.

Referred -- AMENDMENT OF BUILDING NEIGHBORHOODS AND AFFORDABLE HOUSING PURCHASE PRICE ASSISTANCE PROGRAM ORDINANCE TO EXPAND AND INCLUDE CITY-WIDE LOCATIONS AND SINGLE-FAMILY HOMES. [O2023-1588]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Housing and Real Estate.

To the Honorable, The City Council of the City of Chicago.

LADIES AND GENTLEMEN -- At the request of the Commissioner of Housing, I transmit herewith an ordinance amending the Building Neighborhoods and Affordable Homes Ordinance.
Your favorable consideration of this ordinance will be appreciated

Very truly yours,

(Signed) LORI E. LIGHTFOOT, Mayor.

Referred -- SALE OF CITY-OWNED PROPERTIES AT VARIOUS LOCATIONS.
[O2023-1641, O2023-1642, O2023-1643]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Housing and Real Estate:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago.

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the negotiated sale of City-owned properties.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT, Mayor.
Referred -- RESTRUCTURING OF LOAN TO JACKSON PARK LIMITED PARTNERSHIP FOR ACQUISITION AND REHABILITATION OF HIGHLAND TUDOR MANOR APARTMENTS AT 7010-7018 S. CREGERI AVE. AND PARKING AT 7015 S. EAST END AVE.

[O2023-1646]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Housing and Real Estate:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago.

LADIES AND GENTLEMEN -- At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the transfer of Highland Tudor Manor, an affordable housing building, to a new owner.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.

Referred -- FIRST AMENDMENT TO RIGHT OF ENTRY AND BUILDING MAINTENANCE AND PROTECTION AGREEMENT WITH AUSTIN UNITED ALLIANCE DEVELOPMENT COMPANY LLC FOR BUILDING MAINTENANCE AND STABILIZATION WORK AT LARAMIE STATE BANK, 5206 W. CHICAGO AVE.

[O2023-1644]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Housing and Real Estate.
OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of an extended right of entry agreement with Austin United Alliance L.P.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor

Referred -- CONVEYANCE OF PROPERTY AT 3302 -- 3326 E. 92ND ST. TO NEIGHBOURSPACE AND ALLOCATION OF FINANCIAL ASSISTANCE FOR DEVELOPMENT OF CALUMET GATEWAY GARDEN.

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Special Events, Cultural Affairs and Recreation:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the provision of funds and land transfers for improvements at Calumet Gateway Garden.
Your favorable consideration of this ordinance will be appreciated

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.

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Referred -- CONVEYANCE OF PROPERTY AT 3024 -- 3040 W. FIFTH AVE. TO NEIGHBORSPACE AND ALLOCATION OF FINANCIAL ASSISTANCE FOR DEVELOPMENT OF ECO ORCHARD NORTH GARDEN

[O2023-1618]

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Special Events, Cultural Affairs and Recreation:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the provision of funds and land transfers for improvements at Eco Orchard North Garden.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) LORI E. LIGHTFOOT,
Mayor.
Referred -- INTERGOVERNMENTAL AGREEMENT WITH FOREST PRESERVES OF COOK COUNTY TO UTILIZE PAID SERVICES OF GREENCORPS CHICAGO CREWS WITH INDEMNIFICATION CLAUSE FOR ANY LOSS AT VARIOUS PROJECT SITES.

The Honorable Lori E. Lightfoot, Mayor, submitted the following communication which was Referred to the Committee on Workforce Development:

OFFICE OF THE MAYOR
CITY OF CHICAGO

April 19, 2023.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Transportation, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with the Forest Preserves of Cook County regarding trainings for the Greencorps Chicago Program.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed)  LORI E. LIGHTFOOT,
        Mayor.

City Council Informed As To Miscellaneous Documents Filed In City Clerk’s Office.

The Honorable Andrea M. Valencia, City Clerk, informed the City Council that documents have been filed in her office relating to the respective subjects designated as follows
Placed On File -- NOTIFICATION AS TO DESIGNATION OF JOHN L. HENDRICKS AS ADDITIONAL PROXY TO AFFIX SIGNATURE OF MAYOR TO CERTAIN DOCUMENTS.

[F2023-28]

A communication from the Honorable Lori E Lightfoot, Mayor, under the date of April 7, 2023, received in the Office of the City Clerk on April 7, 2023, designating John L. Hendricks as additional proxy to affix the signature of the Mayor of the City of Chicago to any license, permit, contract, change order, ordinance, bond, deed, grant document or any other written instrument required to be signed by the Mayor, and revoking the proxy designation of Celia Meza, which was Placed on File.

Placed On File -- NOTIFICATION OF SALE OF CITY OF CHICAGO MULTI-FAMILY HOUSING REVENUE BONDS (CHURCHVIEW HOMES PROJECT), SERIES 2023A AND 2023B.

[F2023-24]

A communication from Jennie Huang Bennett, Chief Financial Officer, under the date of March 15, 2023, received in the Office of the City Clerk on March 15, 2023, transmitting the Funding Loan Notification of City of Chicago Multi-Family Housing Revenue Bonds (Churchview Homes Project), Series 2023A and Series 2023B, together with the Bond Issuance Agreement, Bond Loan Agreement, Land-Use Restriction Agreement and the Tax Compliance Agreement, which was Placed on File.

Placed On File -- FUNDING LOAN NOTIFICATION OF CITY OF CHICAGO MULTI-FAMILY HOUSING REVENUE NOTE (WESTHAVEN I1D), SERIES 2023.

[F2023-27]

A communication from Jennie Huang Bennett, Chief Financial Officer, under the date of April 3, 2023, received in the Office of the City Clerk on April 3, 2023, transmitting the Funding Loan Notification of City of Chicago Multi-Family Housing Revenue Note (Westhaven I1D), Series 2023, together with the Loan Agreement, Governmental Lender Note, Borrower Loan Agreement and Land-Use Restriction Agreement, which was Placed on File.
Placed On File -- AMENDMENT NO. 4 TO NORTHWEST INDUSTRIAL CORRIDOR TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT.

A communication from Keith A. May, Assistant Corporation Counsel, under the date of March 31, 2023, received in the Office of the City Clerk on March 31, 2023, transmitting Amendment Number 4 to the Northwest Industrial Corridor Tax Increment Financing Redevelopment Plan and Project dated March 31, 2023, which was Placed on File.

Placed On File -- OFFICE OF INSPECTOR GENERAL'S ADVISORY REGARDING INTERDEPARTMENTAL COORDINATION AND CITY'S ADMINISTRATIVE OFFICER POSITION.

A communication from Deborah Witzburg, Inspector General, under the date of March 20, 2023, received in the Office of the City Clerk on March 20, 2023, transmitting a report on advisory regarding interdepartmental coordination and appointment of an Administrative Officer, which was Placed on File.


A communication from Deborah Witzburg, Inspector General, under the date of April 14, 2023 and received in the Office of the City Clerk on April 13, 2023, transmitting, pursuant to Section 2-56-120 of the Municipal Code of Chicago, the First Quarter Report of Year 2023 of the Inspector General's Office providing an overview of their investigations, audits and review of administrative programs for the period of January 1, 2023 through March 31, 2023, which was Placed on File.

Placed On File -- TABULATED STATEMENT OF RETURNS AND PROCLAMATION OF RESULTS OF CANVASS OF ELECTION RETURNS FOR FEBRUARY 28, 2023 GENERAL ELECTION.

A communication from Charles Holiday, Jr., Executive Director, Board of Election Commissioners, under the date of March 15, 2023, and received in the Office of the City Clerk on March 15, 2023, transmitting the tabulated statement of returns and
proclamation of results of the canvass of the election returns for the general election held in each precinct and in all wards in the City of Chicago on February 28, 2023, which was Placed on File.

City Council Informed As To Certain Actions Taken.

PUBLICATION OF JOURNAL.

The City Clerk informed the City Council that all those ordinances, et cetera, which were passed by the City Council on March 15, 2023 and which were required by statute to be published in book or pamphlet form or in one or more newspapers, were published in pamphlet form on April 19, 2023, by being printed in full text in printed pamphlet copies of the Journal of the Proceedings of the City Council of the City of Chicago of the regular meeting held on March 15, 2023, published by authority of the City Council, in accordance with the provisions of Title 2, Chapter 12, Section 050 of the Municipal Code of Chicago, as passed on June 27, 1990.

(Special Meeting)

The City Clerk informed the City Council that the call for the special meeting and appropriate comments thereto which were discussed by the City Council on March 30, 2023, and which were required by statute to be published in book or pamphlet form or in one or more newspapers, were published in pamphlet form on April 19, 2023, by being printed in full text in printed pamphlet copies of the Journal of the Proceedings of the City Council of the City of Chicago of the special meeting held on March 30, 2023, published by authority of the City Council in accordance with the provisions of Title 2, Chapter 12, Section 050 of the Municipal Code of Chicago, as passed on June 27, 1990.
Miscellaneous Communications, Reports, Et Cetera, Requiring Council Action (Transmitted To City Council By City Clerk).

The City Clerk transmitted communications, reports, et cetera, relating to the respective subjects listed below, which were acted upon by the City Council in each case in the manner noted, as follows

_Referred -- ZONING RECLASSIFICATIONS OF PARTICULAR AREAS._

Applications (in triplicate) together with the proposed ordinances for amendment of Title 17 of the Municipal Code of Chicago (the Chicago Zoning Ordinance), as amended, for the purpose of reclassifying particular areas, which were _Referred to the Committee on Zoning, Landmarks and Building Standards_, as follows

Arthur Boraca 2005 Trust (Application Number 22158) -- to classify as a C1-1 Neighborhood Commercial District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 3-1 bounded by

the alley next north of and parallel to West Iowa Street; North Rockwell Street; West Iowa Street, and a line 35.23 feet west of and parallel to North Rockwell Street (common address: 2600 West Iowa Street).

[O2023-1529]

BC 5207 Rose LLC, R&A Trailer Queens LLC "1" and I&A Holdings LLC -- Series 7900 South Wabash (Application Number 22152) -- to classify as a C2-1 Motor Vehicle-Related Commercial District instead of a B3-1 Community Shopping District the area shown on Map Number 13-S bounded by:

a line 165.10 feet north of and parallel to West Foster Avenue; a line 167 feet east of and parallel to North Rose Street; a line 82.55 feet north of and parallel to West Foster Avenue, and North Rose Street (common address: 5207 West Rose Street)

[O2023-1502]

Israel Cardona (Application Number 22153T1) -- to classify as a C2-3 Motor Vehicle-Related Commercial District instead of an M2-3 Light Industrial District the area shown on Map Number 6-1 bounded by

a line 48 feet north of and parallel to West 28th Street; South Sacramento Avenue; West 28th Street, and the alley next west of and parallel to South Sacramento Avenue (common address: 2754 -- 2756 South Sacramento Avenue).

[O2023-1503]
Center Court Development LLC (Application Number 22176) -- to classify as an RT4 Residential Two-Flat, Townhouse and Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District and an RT4 Residential Two-Flat, Townhouse and Multi-Unit District the area shown on Map Number 12-F bounded by:

West 54th Street, the alley next east of South Federal Street; a line 403.45 feet south of West 54th Street (as measured along the east right-of-way line of South Federal Street and perpendicular thereto), and South Federal Street (common address: 5401 -- 5437 South Federal Street).

[O2023-1573]

CKG Realty Group LLC (Application Number 22164T1) -- to classify as an RM5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 13-H bounded by:

the alley next north of and parallel to West Ainslie Street; a line 46.50 feet west of and parallel to North Oakley Avenue; a line 76.50 feet north of and parallel to West Ainslie Street; a line 54.00 feet west of and parallel to North Oakley Avenue; a line 67.50 feet north of and parallel to West Ainslie Street, a line 62.00 feet west of and parallel to North Oakley Avenue; West Ainslie Street, and a line 140.29 feet west of and parallel to North Oakley Avenue (common address: 2306 -- 2312 West Ainslie Street).

[O2023-1561]

CKG Realty Group LLC (Application Number 22165) -- to classify as an RM4.5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 13-H bounded by:

the alley next north of and parallel to West Ainslie Street; North Oakley Avenue, West Ainslie Street; a line 62.00 feet west of and parallel to North Oakley Avenue; a line 67.50 feet north of and parallel to West Ainslie Street; a line 54.00 feet west of and parallel to North Oakley Avenue; a line 76.50 feet north of and parallel to West Ainslie Street; and a line 46.50 feet west of and parallel to North Oakley Avenue (common address: 4900 -- 4910 North Oakley Avenue).

[O2023-1562]

CMR Limited Partnership (Application Number 22157) -- to classify as Commercial Planned Development Number 399, as amended, instead of Commercial Planned Development Number 399 the area shown on Map Number 5-G bounded by:

a line 300.00 feet north of West Willow Street; North Clybourn Avenue, North Sheffield Avenue; a line 244.47 feet south of North Clybourn Avenue continuing westerly for 81.52 feet; thence southwesterly for 92.53 feet to a point 164.47 feet south of West Willow Street, and North Marcey Street (common address. 1776 -- 1830 North Clybourn Avenue, 1738 -- 1760 North Sheffield Avenue and 1667 -- 1729 North Marcey Street).

[O2023-1508]
Cruisin' Canines, Inc. (Application Number 22166T1) -- to classify as a C2·2 Motor Vehicle-Related Commercial District instead of an M1·2 Limited Manufacturing/Business Park District the area shown on Map Number 7-H bounded by:

a line 145 45 feet north of and parallel to West Oakdale Avenue; North Leavitt Street, a line 70.45 feet north of and parallel to West Oakdale Avenue; and the alley next west of and parallel to North Leavitt Street (common address: 2940 -- 2946 North Leavitt Street).

[DGO LLC (Application Number 22173) -- to classify as an M2·1 Light Industry District instead of an M1·1 Limited Manufacturing/Business Park District the area shown on Map Number 1-K bounded by

West Chicago Avenue; North Kilpatrick Avenue; the alley next south of and parallel to West Chicago Avenue, and a line 100 feet west of and parallel to North Kilpatrick Avenue (common address: 4711 West Chicago Avenue).

[Fromm LLC (Application Number 22154) -- to classify as Residential-Business Planned Development Number 1420, as amended, instead of Residential-Business Planned Development Number 1420, as amended, the area shown on Map Number 5-H bounded by:

West Webster Avenue; the Chicago and Northwestern Railroad right-of-way; and North Elston Avenue (common address. 1653 -- 1739 West Webster Avenue and 2075 -- 2189 North Elston Avenue).

[JMLL Investments LLC (Application Number 22159) -- to classify as a B3·1 Community Shopping District instead of a B1·1 Neighborhood Shopping District the area shown on Map Number 5-M bounded by:

the alley north of and parallel to West North Avenue; a line 131.92 feet west of and parallel to North Melvina Avenue; West North Avenue; and a line 156.92 feet west of and parallel to North Melvina Avenue (common address: 6214 West North Avenue).

[Piotr and Kamil Kowalkowski (Application Number 22150) -- to classify as a B2-3 Neighborhood Mixed-Use District instead of a C1-2 Neighborhood Commercial District the area shown on Map Number 9-H bounded by.]
a line 246.00 feet south of and parallel to West Waveland Avenue; North Ashland Avenue; a line 271.00 feet south of and parallel to West Waveland Avenue; and the alley next west of and parallel to North Ashland Avenue (common address: 3632 North Ashland Avenue).

L&L Academy and Preschool BT, Corporation (Application Number 22168T1) -- to classify as a B1-1 Neighborhood District instead of an M1-1 Limited Manufacturing/Business Park District the area shown on Map Number 5-H bounded by:

the south right-of-way line of Bloomingdale Trail Park, North Paulina Street, the public alley next south of and parallel to vacated West Bloomingdale Avenue; and the public alley next west of and parallel to North Paulina Street (common address: 1754 North Paulina Street)

Levraddigans Entertainment LLC, doing business as Levraddigans Studios (Application Number 22148) -- to classify as a B3-1 Community Shopping District instead of a B1-1 Neighborhood Shopping District the area shown on Map Number 26-H bounded by:

a line 149.30 feet south of and parallel to West 105th Street, the alley next east of and parallel to South Western Avenue; a line 199.30 feet south of and parallel to West 105th Street, and South Western Avenue (common address: 10517 – 10521 South Western Avenue).

L.P. Holdings 375 LLC (Application Number 22155) -- to classify as a DX-5 Downtown Mixed-Use District instead of a C2-2 Motor Vehicle-Related Commercial District and further, to classify as a Residential-Business Planned Development instead of a DX-5 Downtown Mixed-Use District the area shown on Map Number 1-G bounded by:

North Morgan Street; West Kinzie Street; North Peoria Street; and a line 115.5 feet south of and parallel to West Kinzie Street (common address: 375 North Morgan Street and 901 West Kinzie Street).

MacMaster Properties LLC (Application Number 22174) -- to classify as a B1-3 Neighborhood Shopping District instead of a C1-3 Neighborhood Commercial District the area shown on Map Number 15-G bounded by:
North Broadway, the alley next north of and parallel to West Thorndale Avenue, the alley
next east of and parallel to North Broadway; and a line 75 feet north of and parallel to
West Thorndale Avenue (common address 5943 -- 5959 North Broadway).

NORCOR Cicero Associates LLC (Application Number 22175) -- to classify as a
B3-2 Community Shopping District instead of a B1-2 Neighborhood Shopping District the
area shown on Map Number 20-K bounded by

West 81st Street; a line from a point 275 feet east of South Cicero Avenue and the south
right-of-way line of West 81st Street to a point 280 feet east of South Cicero Avenue and
600 feet south of West 81st Street; a line 600 feet south of and parallel to
West 81st Street; and South Cicero Avenue (common address: 8101 -- 8159 South
Cicero Avenue).

Rocket Twins LLC (Application Number 22170T1) -- to classify as a C3-2 Commercial,
Manufacturing and Employment District instead of an M1-2 Limited Manufacturing/Business
Park District the area shown on Map Number 12-I bounded by

a line 225.0 feet north of and parallel to West 48th Street, the public alley next east of
and parallel to South Talman Avenue; West 48th Street, and South Talman Avenue
(common address 2614 West 48th Street and 4743 South Talman Avenue).

SSNS Construction, Inc (Application Number 22172) -- to classify as a
C1-1 Neighborhood Commercial District instead of a B3-1 Community Shopping District the
area shown on Map Number 20-G bounded by

West 86th Place; South Summit Avenue, South Vincennes Avenue; West 87th Street;
and the alley next east of and parallel to South Sangamon Street (common address:
842 -- 852 West 87th Street, 8674 -- 8698 South Vincennes Avenue and 835 -- 853 West
86th Place).

Stonedry LLC (Application Number 22163) -- to classify as an M2-2 Light Industry District
instead of an M1-2 Limited Manufacturing/Business Park District the area shown on
Map Number 18-D bounded by:

South South Chicago Avenue, a line 658 feet southeast of and parallel to South Dante
Avenue; a line 43.44 feet southwest of and parallel to South South Chicago Avenue, a
line 749.01 feet southeast of and parallel to South Dante Avenue; the northeast
right-of-way line of the Michigan Southern Railroad, and a line 272 80 feet southeast of
and parallel to South Dante Avenue (common address: 7740 -- 7744 South South
Chicago Avenue).
Strengthening Our Community Alliance NFP (Application Number 22177) -- to classify as a B3-1 Community Shopping District instead of an RM5 Residential Multi-Unit District and the B3-3 Community Shopping District the area shown on Map Number 16-D bounded by:

a line 131.10 feet south of and parallel to East Marquette Road; the west right-of-way line of the Illinois Central Railroad, a line 313.10 feet south of and parallel to East Marquette Road, and South Kenwood Avenue (common address 6615 South Kenwood Avenue).

[02023-1579]

Nick Tanev (Application Number 22151T1) -- to classify as a C2-3 Motor Vehicle-Related Commercial District instead of an M3-3 Heavy Industry District the area shown on Map Number 5-H bounded by:

West Fullerton Avenue; a line 100 feet east of and parallel to North Seeley Avenue, the alley next south of and parallel to West Fullerton Avenue, and North Seeley Avenue (common address 2023 West Fullerton Avenue)

[02023-1501]

1300 Peoria LLC (Application Number 22156) -- to classify as a DX-7 Downtown Mixed-Use District instead of an M2-3 Light Industry District and further, to classify as a Residential-Business Planned Development instead of a DX-7 Downtown Mixed-Use District the area shown on Map Number 1-G bounded by:

West Lake Street; North Elizabeth Street, the 18-foot public alley north of and parallel to West Lake Street; and a line 310.42 feet west of and parallel to North Elizabeth Street (common address 1300 -- 1328 West Lake Street).

[02023-1507]

2020 15th Avenue LLC (Application Number 22149) -- to classify as a B2-3 Neighborhood Mixed-Use District instead of a B3-2 Community Shopping District the area shown on Map Number 11-H bounded by:

the alley next north of and parallel to West Irving Park Road; a line 81.20 feet east of and parallel to North Wolcott Avenue, West Irving Park Road; and a line 56.20 feet east of and parallel to North Wolcott Avenue (common address 1844 West Irving Park Road)

[02023-1499]

2412 Belden LLC (Application Number 22171) -- to classify as an RM4.5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 5-I bounded by:
the public alley next north of and parallel to West Belden Avenue; the public alley next west of and parallel to North Western Avenue, West Belden Avenue; and a line 142.40 feet west of and parallel to North Western Avenue (common address: 2412 West Belden Avenue)

2611 West Augusta LLC (Application Number 22161T1) -- to classify as an RM5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 3-1 bounded by:

West Augusta Boulevard, a line 100 feet west of and parallel to North Rockwell Street; the public alley next south of and parallel to West Augusta Boulevard, and a line 131.50 feet west of and parallel to North Rockwell Street (common address: 2611 West Augusta Boulevard)

2641 West Augusta LLC (Application Number 22162T1) -- to classify as an RM5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 3-1 bounded by.

West Augusta Boulevard; a line 200 feet east of and parallel to North Washtenaw Avenue; the public alley next south of and parallel to West Augusta Boulevard, and a line 167 feet east of and parallel to North Washtenaw Avenue (common address: 2641 West Augusta Boulevard)

2641 West Augusta LLC (Application Number 22167T1) -- to classify as an RM5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 3-1 bounded by.

West Augusta Boulevard; a line 134 feet east of and parallel to North Washtenaw Avenue, the public alley next south of and parallel to West Augusta Boulevard, and a line 100 feet east of and parallel to North Washtenaw Avenue (common address: 2647 West Augusta Boulevard)

3004 -- 3006 West Belmont LLC (Application Number 22169) -- to classify as a C1-2 Neighborhood Commercial District instead of a C1-1 Neighborhood Commercial District the area shown on Map Number 9-1 bounded by:

the alley next north of and parallel to West Belmont Avenue, a line 25 feet west of and parallel to North Sacramento Avenue; West Belmont Avenue; and a line 74 feet west of and parallel to North Sacramento Avenue (common address: 3004 -- 3006 West Belmont Avenue)
5523 -- 5535 Chicago Avenue LLC (Application Number 22160) -- to classify as a C1-2 Neighborhood Commercial District instead of a B1-2 Neighborhood Shopping District the area shown on Map Number 1-L bounded by:

West Chicago Avenue; the alley next east of and parallel to North Central Avenue; a line 81.60 feet south of and parallel to West Chicago Avenue; and a line 51 feet east of and parallel to North Central Avenue (common address 5529 West Chicago Avenue).

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

Claims against the City of Chicago, which were Referred to the Committee on Finance, filed by the following.

Abercrombie, Rosemary [CL2023-286]
Adams, Nicole P. [CL2023-290]
Akpalu, Peter S. [CL2023-297]
Albor, Nicolas [CL2023-206]
Aldawoud, Zaki [CL2023-223]
Anderson, Mark M. [CL2023-272]
Andretich, Larry T. [CL2023-183]
Ashton, Justin M. [CL2023-196]
Bahena, Adrion [CL2023-210]
Barriga, Jose [CL2023-282]
Beech, Brian K. [CL2023-253]
Bencur, Zach R. [CL2023-219]
Borowski, David L. [CL2023-211]
Brewer, William A.  [CL2023-231]
Brown, Robert J.  [CL2023-195]
Brownlow, Eugene  [CL2023-298]
Cardenas, Daniel  [CL2023-277]
Catenacci, Meghan  [CL2023-229]
Chmielarz, Walter  [CL2023-218]
Colant, Joseph R.  [CL2023-296]
Cole, Jordyn M.  [CL2023-201]
Coleman, Rufus  [CL2023-246]
Cronin, Jeanne B  [CL2023-267]
Cruz, Victor M.  [CL2023-193]
Daniels, Jharmaine N  [CL2023-181]
Dano, Rami R.  [CL2023-262]
Deveney, Elaine M.  [CL2023-274]
Di Nino, Kimberly S.  [CL2023-288]
Do, Christine  [CL2023-257]
Donnella, Derrick J.  [CL2023-241]
Egberuare, Gary  [CL2023-251]
Enessy, Yakubu S  [CL2023-260]
Fakhouri, Rami N.  [CL2023-230]
Frillo, Silvia  [CL2023-278]
Ford, Alexis R.  [CL2023-287]
Fridman, Ethan T  [CL2023-268]
Garrett, Jahi B.  [CL2023-245]
Geban, Krystal M. [CL2023-225]
German, Charles A [CL2023-194]
Golen, Rochelle C [CL2023-235]
Gottberg, Heidi M [CL2023-255]
Graham, Adnan L. [CL2023-220]
Grant, Nisaa K [CL2023-281]
Grant, Thomas M. [CL2023-254]
Green, Deanna F. [CL2023-197]
Griffin, Gerald P. [CL2023-249]
Guerrero, Arabella [CL2023-178]
Guerrero, Nicolas [CL2023-213]
Halabi, Shadi [CL2023-209]
Hemple, Amanda [CL2023-189]
Hilgart, Bruno M. [CL2023-294]
Hindo, Fadi [CL2023-216]
Hoglund, Todd E [CL2023-284]
Hong, Kevin K. [CL2023-289]
Irizarry, Priscilla D [CL2023-233]
Jaber, Hatem [CL2023-293]
Janowski, Jennifer A. [CL2023-240]
Jensen, Christopher R. [CL2023-270]
Jetton, Desmend O [CL2023-276]
Johnson, Emeka O. [CL2023-265]
Johnson, Irvin [CL2023-192]
Jones, Antonio D  [CL2023-292]
Jones, Charles W.  [CL2023-261]
Jung, Park  [CL2023-263]
Kurak, Cahit  [CL2023-222]
Larsen, Kristin A.  [CL2023-190]
Lemus, Rene  [CL2023-176]
Low, Chin Y.  [CL2023-179]
Mackenzie, Duncan G  [CL2023-301]
Maloney, Christopher R.  [CL2023-266]
Marceau Taylor, Haley M.  [CL2023-182]
Markiv, Enka  [CL2023-252]
Mercado, Wilfredo C.  [CL2023-247]
Meyer, Harry T.  [CL2023-236]
Miles, Andrew N.  [CL2023-244]
Miller, Rachel G.  [CL2023-191]
Moreno, Sheila  [CL2023-202]
Murillo, Luis  [CL2023-207]
Orejel, Veronica  [CL2023-250]
O'Toole, James E.  [CL2023-177]
Oyeyemi, Victoria I.  [CL2023-208]
Panarese, Joseph D.  [CL2023-264]
Park, Won J.  [CL2023-299]
Parke, Natalie N  [CL2023-187]
Pindelski, Thomas M.  [CL2023-271]
Prace, Vicki E.  [CL2023-214]
<table>
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<tr>
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<tr>
<td>Quezada, Esther</td>
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<td>Ramirez, Julian</td>
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<td>Ross, Britney</td>
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<td>Ruderman, Jon M.</td>
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<td>Scott, Mary P</td>
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<td>Shah, Deep M.</td>
<td>[CL2023-303]</td>
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<td>Siddiqui, Ahmed F.</td>
<td>[CL2023-239]</td>
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<td>Simmons, Margo</td>
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<td>Starr, Donna W</td>
<td>[CL2023-279]</td>
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<td>State Farm Insurance and Thompson, Michael J.</td>
<td>[CL2023-234]</td>
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<td>State Farm Insurance and Unarte, Jose J</td>
<td>[CL2023-291]</td>
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<td>Stefa, Bledi</td>
<td>[CL2023-242]</td>
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<td>Stewart, Bridgette</td>
<td>[CL2023-184]</td>
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<td>Suchomel, Joan L.</td>
<td>[CL2023-280]</td>
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<td>Sutthisasanakul, Surachai</td>
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<td>Sweeney, Sarah M.</td>
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<td>Tate Stinnette, Jeannette (2)</td>
<td>[CL2023-198, CL2023-199]</td>
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<td>Taylor, Craig</td>
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<td>Taylor, Kasrael E</td>
<td>[CL2023-215]</td>
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A communication from Kathleen E. Dickhut, Deputy Commissioner, Bureau of Citywide Systems and Historic Preservation, Department of Planning and Development, under the date of April 11, 2023, and received in the Office of the City Clerk on April 11, 2023, transmitting the Commission on Chicago Landmarks' recommendation, together with a proposed ordinance for designation of the Clark-Netsch House at 1700 North Hudson Avenue as a Chicago landmark, which was Referred to the Committee on Zoning, Landmarks and Building Standards.
REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

ISSUANCE OF MULTI-FAMILY PROGRAM FUNDS TO AND REDEVELOPMENT AGREEMENT WITH 548 PASSIVE HP L.P. AND 548 HUMBOLDT PARK, INC. LLC FOR ACQUISITION AND DEVELOPMENT OF HUMBOLDT PARK PASSIVE LIVING DEVELOPMENT.

[O2023-1395]

The Committee on Finance submitted the following report.

CHICAGO, April 19, 2023

To the President and Members of the City Council.

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance regarding the authority to enter into and execute a redevelopment agreement regarding the sale and demolition of property and the provision of Tax Increment Financing (TIF) funds for 548 Passive HP L.P. and 548 Humboldt Park, Inc LLC, to construct affordable housing at 3831 West Chicago Avenue, 3853 West Chicago Avenue, 739 North Springfield Avenue and 741 North Springfield Avenue, located in the 37th Ward (O2023-1395), in the amount of $18,700,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.
On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed.

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

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

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

WHEREAS, DOH has preliminarily reviewed and approved the making of one or more loans to 548 Passive HP L.P., an Illinois limited partnership (the "Borrower") of which 548 Humboldt Park, Inc LLC, an Illinois limited liability company ("General Partner"), is the general partner, in an amount not to exceed $8,200,000 (the "Loan"), to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, Pursuant to an ordinance adopted by the City Council of the City (the "City Council") on February 27, 2002, and published at pages 79794 -- 80002 of the Journal of the Proceedings of the City Council of the City of Chicago (the "Journal") of such date, a certain redevelopment plan and project (the "Plan") for the Chicago/Central Park TIF Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq) (the "Act"); and
WHEREAS, Pursuant to an ordinance adopted by the City Council on February 27, 2002 and published at pages 80003 -- 80014 of the Journal of such date, the Area was designated as a redevelopment project area pursuant to the Act, and

WHEREAS, Pursuant to an ordinance adopted by the City Council on February 27, 2002 and published at pages 80015 -- 80025 of the Journal of such date (the "TIF Ordinance"), tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, The Plan and/or the Area were first amended pursuant to an ordinance adopted by the City Council on November 18, 2009, and published at pages 79023 -- 74030 of the Journal of such date, and subsequently amended pursuant to an ordinance adopted by the City Council on September 12, 2012, and published at pages 32227 -- 32235 of the Journal of such date; and

WHEREAS, Pursuant to Section 5/11-74.4-8(b) of the Act and the TIF Ordinance, incremental taxes ("Incremental Taxes") are deposited from time to time in the "Chicago/Central Park TIF Redevelopment Project Area Special Tax Allocation Fund" (the "TIF Fund") established pursuant to the TIF Ordinance, and

WHEREAS, Pursuant to an ordinance adopted by the City Council of the City (the "City Council") on June 10, 1998, and published at pages 70367 -- 70500 of the Journal of such date, a certain redevelopment plan and project (the "Kinzie Plan") for the Kinzie Industrial Conservation TIF Redevelopment Project Area (the "Kinzie Redevelopment Area") was approved pursuant to the Act, and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 10, 1998, and published at pages 70499 -- 70510 of the Journal of such date, the Kinzie Area was designated as a redevelopment project area pursuant to the Act, and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 10, 1998, and published at pages 70509 -- 70520 of the Journal of such date (the "Kinzie TIF Ordinance"), tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Kinzie Area redevelopment project costs (as defined in the Act) incurred pursuant to the Kinzie Plan, and

WHEREAS, Pursuant to Section 5/11-74.4-8(b) of the Act and the TIF Ordinance, Incremental Taxes ("Kinzie Incremental Taxes") are deposited from time to time in the "Kinzie TIF Redevelopment Project Area Special Tax Allocation Fund" (the "Kinzie TIF Fund") established pursuant to the Kinzie TIF Ordinance; and

WHEREAS, Pursuant to 65 ILCS 5/11-74.4-4(q) of the Act, the City may use Kinzie Incremental Taxes from the Kinzie TIF Fund to pay for eligible redevelopment project costs incurred in the Chicago/Central Park Redevelopment Area because the Kinzie Redevelopment Area is either contiguous to, or is separated only by a public right-of-way from, the Chicago/Central Park Redevelopment Area (the "Transfer Rights"); and
WHEREAS, To the extent required by the City to meet its obligation to pay City Funds (as such term is defined herein below) to Developer pursuant to the Redevelopment Agreement (as defined herein below), the City shall use its Transfer Rights pursuant to the Act to deposit Kinzie Incremental Taxes into the TIF Fund as Incremental Taxes, and

WHEREAS, The City is the owner of that certain real property located in the Area, commonly known as 3831 West Chicago Avenue, 3853 West Chicago Avenue; 739 North Springfield Avenue; and 741 North Springfield Avenue, Chicago, Illinois, and identified on Exhibit B attached hereto (the "Public Property"); and

WHEREAS, The Borrower has submitted a proposal to the Department of Planning and Development ("DPD") for the City to sell the Public Property, which has an appraised fair market value of $262,000, for a price of $4 ($1 per lot), to either. (i) Borrower or (ii) 548 Foundation, an Illinois not-for-profit corporation ("548 NFP" and together With the Borrower, the "Developer") or another not-for-profit organization approved by the Authorized Officer (as defined below) and for 548 NFP (or another approved not-for-profit corporation) to subsequently sell the Public Property to the Borrower for a combination of cash and seller financing to redevelop the Public Property along with other contiguous property (collectively the "Property"), and

WHEREAS, The Borrower and 548 NFP will develop the Property as follows: (i) demolish existing structures, (ii) commence and complete construction of an approximately 75,180-square-foot mixed use four-story building containing a total of 60 residential units along with ground floor commercial space (the "Facility") thereon, and (iii) include in and attendant to the Facility on the Property additional community related improvements along with approximately thirty (30) parking spaces and other related improvements to be located on the Property which will have a common address of 3831 West Chicago Avenue (items (i) through (iii) and other attendant matters are collectively referred to herein as the "Project" as is further defined on Exhibit A), and

WHEREAS, The Project is consistent with the goals and objectives of the Plan, and

WHEREAS, By Resolution Number 22-CDC-59 adopted on October 11, 2022, the Community Development Commission ("CDC") authorized the DPD to enter into a negotiated sale for the Public Property with 548 Development LLC, the managing member of the General Partner and to disclose such intent by publishing a public notice of such intent at least once for three (3) consecutive weeks; and

WHEREAS, Public notices advertising the negotiated sale appeared in the Chicago Tribune on August 17, 18, 24, 26 and 31, 2022; and

WHEREAS, No responsive proposals were received at the conclusion of the advertising period, and
WHEREAS, By Resolution Number 22-CDC-59, adopted on October 11, 2022, the CDC recommended that the Developer be designated as the developer for the Project (as defined in such resolution) and that DPD be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project, and

WHEREAS, The Developer has proposed to undertake the Project pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City to be financed in part by a portion of Incremental Taxes, if any, deposited in the TIF Fund pursuant to Section 5/11-74 4-8(b) of the Act; and

WHEREAS, On January 16, 2002, the City Council enacted an ordinance published in the Journal for such date at pages 77362 through 77366, inclusive, as amended by an ordinance adopted by City Council on September 4, 2003 and published in the Journal for such date at pages 6475 through 6626, inclusive, which authorized the establishment of a program (as supplemented, amended and restated from time to time, the "Donation Tax Credit Program") to be implemented by DOH in connection with the use of certain tax credits authorized by the Illinois General Assembly pursuant to Public Act 92-0491 (as supplemented, amended and restated from time to time) for donations made in connection with affordable housing projects; and

WHEREAS, The payment of an ARO donation by a private developer to 548 NFP or another not-for-profit corporation approved by the Authorized Officer in connection with the Project may qualify under the Donation Tax Credit Program as an eligible donation, and may generate certain additional proceeds for the Project, but the receipt of such donations and proceeds is not a condition to the making of the Loan; now, therefore,

Be It Ordained by the City Council of the City of Chicago.

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

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

SECTION 3. The Project (as described on Exhibit A hereto) shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago.
SECTION 4 The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74 4-4 of the Act.

SECTION 5 The Commissioner of DPD or a designee of the Commissioner of DPD are each hereby authorized, with the approval of the Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City substantially in the form attached hereto as Exhibit C and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 6 The City Council of the City hereby finds that the City is authorized to pay not to exceed $18,700,000 ("City Funds") from Incremental Taxes deposited in the general account of the TIF Fund (the "General Account") to Developer or one of the entities that comprise the Developer to finance a portion of the eligible costs included within the Project. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 6.

SECTION 7. The Mayor, the Chief Financial Officer, the Comptroller, the City Clerk and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 8. The sale of the Public Property to the Borrower in the amount of $4 is hereby approved. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer.

SECTION 9. The Mayor or a proxy of the Mayor is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Public Property to the Borrower, or to a land trust of which the Borrower is the sole beneficiary, or to an entity of which the Borrower is the sole owner and the controlling party, subject to those covenants, conditions and restrictions set forth in this ordinance.

SECTION 10. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 11. This ordinance shall be effective as of the date of its passage and approval.

Exhibits "A", "B" and "C" referred to in this ordinance read as follows:
Exhibit "A".
(To Ordinance)

Borrower: 548 Passive HP L.P., an Illinois limited partnership (the "Borrower") with 548 Humboldt Park, Inc. LLC, an Illinois limited liability company, as the sole general partner (the "General Partner").

Project: Acquisition and construction of the Property including (i) demolish existing structures, (ii) commence and complete construction of an approximately 75,180-square-foot mixed-use four-story building containing a total of 60 residential units along with ground floor commercial space (the "Facility") thereon, and (iii) include in, and attendant to, the Facility on the Property additional community related improvements along with approximately thirty (30) parking spaces and other related improvements to be located on the Property which will have a common address of 3831 West Chicago Avenue.

Loan(s):

Source: Multi-Family Program Funds

Amount: Not to exceed $8,200,000.

(i) Amount: Approximately $4,995,819.

Term: 40 years with a two (2) year construction period.

Interest: Applicable Federal Rate ("AFR") or such other interest rate that is acceptable to the Authorized Officer.

Security: Mortgage on the Property is senior upon conversion of Senior Loan (see below)

(ii) Amount: $2,336,381.

Term: Not to exceed 40 years or such other term that is acceptable to the Authorized Officer.

Interest: Zero percent per annum or such other interest rate that is acceptable to the Authorized Officer.

Security: Non-recourse loan, second mortgage on the Property
Additional Financing.

1. Construction Loan ("Senior Loan"):  
   - **Amount**: Not to exceed $28,515,279 or such other amount acceptable to the Authorized Officer.  
   - **Term**: Not to exceed 30 months, with an optional six-month extension, or such other term acceptable to the Authorized Officer.  
   - **Source**: U.S. Bank, National Association or another entity acceptable to the Authorized Officer.  
   - **Interest**: SOFR plus 2.75 percent per annum or such other interest rate that is acceptable to the Authorized Officer.  
   - **Security**: First mortgage on the Property, senior to the City Mortgage and/or other security acceptable to the Authorized Officer.  
   - **Refinance to Permanent**: The Senior Loan shall be repaid upon construction completion, in part, with the proceeds of a forthcoming permanent loan to be made to the Borrower (the "Permanen Loan") by the City and in part with proceeds of the investor limited partner's equity contributions. When made, the Permanent Loan is expected to have a term not to exceed 40 years, an amortization schedule not to exceed 40 years, and a fixed interest rate not to exceed APR or such other terms as may be acceptable to the Authorized Officer. The permanent lender will be a lender acceptable to the Authorized Officer (the "Permanent Lender") The Permanent Loan will be secured by a non-recourse mortgage (the "Permanent Mortgage") subordinate to the City Mortgage.

2. Low-Income Housing Tax Credits ("LIHTC"):  
   - **Proceeds**: Approximately $14,098,500 or such other amount acceptable to the Authorized Officer.  
   - **Source**: To be derived from the syndication of $1,500,000 LIHTC allocation by the Illinois Housing Development Authority.
3 Energy Grant.

Amount: Approximately $385,000 or such other amount acceptable to the Authorized Officer.

Term: Not to exceed 40 years or such other term that is acceptable to the Authorized Officer.

Source: ComEd grant to 548 NFP or another grantee acceptable to the Authorized Officer, which funds will then be loaned to Borrower, or another source acceptable to the Authorized Officer.

Interest: Zero percent or another rate acceptable to the Authorized Officer.

Security: Mortgage on the Property junior to the lien of the City Mortgages, or other security acceptable to the Authorized Officer.

4. Community Grant:

Amount: Approximately $100,000 or such other amount acceptable to the Authorized Officer.

Term: Not to exceed 40 years or such other term that is acceptable to the Authorized Officer.

Source: Chicago Community Trust ("CCT") grant to 548 NFP or another grantee acceptable to the Authorized Officer, which funds will then be loaned to Borrower, or another source acceptable to the Authorized Officer.

Interest: Zero percent or another rate acceptable to the Authorized Officer.

Security: Mortgage on the Property junior to the lien of the City Mortgages, or other security acceptable to the Authorized Officer.

5 TIF Loan:

Amount: Not to exceed $18,700,000 or such other amount acceptable to the Authorized Officer.
Term: Not to exceed 40 years or such other term that is acceptable to the Authorized Officer.

Source: The City Funds (i.e., TIF) received by 548 NFP or another entity approved by the Authorized Officer pursuant to the Redevelopment Agreement, which funds will then be loaned to Borrower.

Interest: Approximately two percent or another rate acceptable to the Authorized Officer.

Security: Mortgage on the Property junior to the lien of the City Mortgages, or other security acceptable to the Authorized Officer.

6. ARO Donation/Seller Loan

Amount: Approximately $2,350,000 or such other amount acceptable to the Authorized Officer.

Term: Not to exceed 40 years or such other term that is acceptable to the Authorized Officer.

Source: Seller financing, the value of the ARO Donation conveyed by a private developer or another entity approved by the Authorized Officer.

Interest: Approximately two percent or another rate acceptable to the Authorized Officer.

Security: Mortgage on the Property junior to the lien of the City Mortgages, or other security acceptable to the Authorized Officer.

7. Illinois Donation Tax Credit ("DTC") Proceeds Loan

Amount: Approximately $998,750, to be derived from City of Chicago allotment of donation tax credits based on $1,175,000 in Donation Tax Credits and generated by the Sterling Bay's above-referenced donation of $2,350,000 and assigned from the City to 548 NFP or another not-for-profit entity approved by the Authorized Officer.

Term: Approximately 40 years, or another term acceptable to the Authorized Officer.
Source.  548 NFP, to be derived from City DTCs, or another not-for-profit entity approved by the Authorized DOH Officer, which funds will then be loaned to Borrower, or another source acceptable to the Authorized Officer.

Interest. Zero percent, or such other interest rate acceptable to the Authorized Officer

Security. Mortgage on the Property junior to the lien of the City Mortgage, or other security acceptable to the Authorized Officer.

8. Developer Affiliate:
   Amount $500,000.
   Source: Deferred Developer Fee

9. General Partner
   Amount: $10,100
   Source: General Partner.

   Exhibit "B".
   (To Ordinance)

   Identification Of Public Property.
   (Subject To Final Commitment And Survey)

<table>
<thead>
<tr>
<th>Address</th>
<th>PIN</th>
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<tr>
<td>3831 West Chicago Avenue</td>
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<td>3853 West Chicago Avenue</td>
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<tr>
<td>741 North Springfield Avenue</td>
<td>16-11-102-006-0000</td>
</tr>
</tbody>
</table>
Exhibit "C".
(To Ordinance)

548 Passive HP L.P Redevelopment Agreement.

This 548 Passive HP L.P Redevelopment Agreement (this "Agreement") is made as of this ___ day of __________, 202_, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), 548 Passive HP L.P, an Illinois limited partnership (the "Owner"), and 548 Foundation, an Illinois not-for-profit corporation (the "Sponsor" and collectively with Owner the "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, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

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

C. City Council Authority: To induce redevelopment pursuant to the Act, in accordance with the provisions of the Act, the City Council of the City (the "City Council") (1) approved and adopted a redevelopment plan and project (the "Chicago/Central Park Redevelopment Plan") for the Chicago/Central Park TIF Redevelopment Project Area (the "Chicago/Central Park Redevelopment Area"); (2) designated the Chicago/Central Park Redevelopment Area as a "redevelopment project area", and (3) adopted tax increment allocation financing for the Redevelopment Area (item 3, the "TIF Adoption Ordinance" and items (1) – (3) collectively, the "TIF Ordinances") adopted on February 27, 2002 and subsequently amended on November 18, 2009 and amended again on September 12, 2012 and published in the Journal for each such date. The Chicago/Central Park Redevelopment Area is legally described on Exhibit A hereto.
To induce redevelopment pursuant to the Act, the City Council ALSO approved and adopted the following ordinances on June 10, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Project Area;" in order to approve and adopt a redevelopment plan and project (the "Kinzie Redevelopment Plan") for the Kinzie Redevelopment Area (as defined below); (2) "An Ordinance of the City of Chicago, Illinois Designating the Kinzie Industrial Corridor Redevelopment Project Area as a Tax Increment Financing District," and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Kinzie Industrial Corridor Redevelopment Project Area (the "Kinzie TIF Adoption Ordinance"). The redevelopment project area referred to in (2) above in this paragraph (the "Kinzie Redevelopment Area") is legally described in Exhibit A-2 hereto.

The Chicago/Central Park TIF Redevelopment Area is either contiguous to, or is separated only by, a public right of way from the Kinzie Redevelopment Area.

D. The Project. Developer intends to purchase City owned land ("City Property") and other land currently owned by the Cook County Land Bank (collectively the "Public Land") and has purchased privately owned land (collectively the "Acquisition"); all said certain property is contiguous and located within the Chicago/Central Park Redevelopment Area at 737-41 N Springfield and 3831-53 West Chicago Ave, Chicago, Illinois 60651 and legally described on Exhibit B hereto (the "Property"). Within the time frames set forth in Section 3.01 hereof, Developer shall (i) demolish existing structures, and (ii) commence and complete construction of an approximately 75,180 square foot mixed use four-story building containing a total of 60 residential units along with ground floor commercial space (the "Facility") thereon. The Facility along with thirty (30) parking spaces and other related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan. The Project will be carried out in accordance with this Agreement and the Chicago/Central Park Redevelopment Plan.

F. Transfer Rights. Pursuant to 65 ILCS 5/11-74.4-4(q) of the Act, the City may use Kinzie Incremental Taxes (as defined below) from the Kinzie TIF Fund (as defined below) to pay for eligible redevelopment project costs incurred in the Chicago/Central Park Redevelopment Area because the Kinzie Redevelopment Area is either contiguous to, or is separated only by a public right of way from, the Chicago/Central Park Redevelopment Area Redevelopment Area (the "Transfer Rights"). To the extent required by the City to meet its obligation to pay City Funds (as such term is defined herein) to Developer as set forth in this Agreement from time to time, the City, as more particularly hereinafter provided, shall exercise its Transfer Rights.
pursuant to the Act and transfer Kinzie Incremental Taxes from the Kinzie Redevelopment Area into the Chicago/Central Park Redevelopment Area TIF Fund (as defined herein).

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

In addition, as described in Section 8.05 hereof, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes (as defined herein) pursuant to a TIF bond ordinance (the "TIF Bond Ordinance"), the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

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<th>List of Exhibits</th>
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<td>2 Definitions</td>
<td>A-2 *Kinzie Redevelopment Area</td>
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<td>4. Financing</td>
<td>C *TIF-Funded Improvements</td>
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<td>5 Conditions Precedent</td>
<td>D [intentionally omitted]</td>
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<td>E Construction Contract</td>
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<td>F Escrow Agreement</td>
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<td>16. Mortgaging of the Project</td>
<td>M Intentionally Omitted</td>
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<td>17. Notice</td>
<td>N Form of Subordination Agreement</td>
</tr>
<tr>
<td>18. Miscellaneous</td>
<td>O Form of Payment Bond</td>
</tr>
<tr>
<td></td>
<td>P Investor Letter</td>
</tr>
</tbody>
</table>
SECTION 2. DEFINITIONS

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

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

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

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

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer’s obligations under this 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 with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.13), (2) delivery of updated insurance certificates, if applicable (Section 8.14); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (4) compliance with the Affordability Requirements (Section 8.24), and (5) compliance with all other executory provisions of the RDA.

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes deposited in the Chicago/Central Park TIF Fund attributable to the sum of (i) taxes levied on the Chicago/Central Park Redevelopment Area as of the date any payment is made under this Agreement to Developer and not pledged to the Prior Obligations [[as may be adjusted to reflect the amount of the TIF District Administration Fee described in Section 4.05(c) hereof]] and (ii) the Kinzie Incremental Taxes deposited into the Chicago/Central Park TIF Fund pursuant to the exercise of Transfer Rights by the City as of the date any payment is made under this Agreement to Developer.

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

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

"Certificate" shall mean the Certificate of Completion of Construction described in Section 7.01 hereof.
"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"Chicago/Central Park Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Chicago/Central Park Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

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

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

"City Contract" shall have the meaning set forth in Section 8.01(1) hereof.

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

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

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

"Compliance Period" shall mean a period equal to thirty (30) years from the issuance of the Certificate pursuant to Section 7.01.

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

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

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

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

"DOH" means the City's Department of Housing.

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

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

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

"Employment Plan" shall have the meaning set forth in Section 5.12 hereof.
"Environmental Laws" means any Federal, state, or local law, statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or aboveground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.; the Gasoline Storage Act, 430 ILCS 15/0.01 et seq.; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago ("MWRO"), the Municipal Code of Chicago, and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

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

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

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

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

"Existing Materials" shall mean the Hazardous Substances or Other Regulated Materials and other environmental conditions described in any SRP reports existing on the Property prior to or as of the Closing Date.

"Existing Mortgages" has the meaning defined in Section 16.01.

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

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

"Financial Statements" shall mean complete audited financial statements of Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.
"General Contractor" shall mean the general contractor(s) hired by Developer pursuant to Section 6.01.

"Hazardous Substance" has the meaning set forth in 415 ILCS 5/3-215, as amended from time to time.

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

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

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

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

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

"Lender" means any lender providing Lender Financing including, but not limited to, U.S. Bancorp., a Delaware corporation (or any affiliate thereof), the City, and the Sponsor.

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

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

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

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

"MSRB" shall have the meaning set forth in Section 8.26(c) hereof.

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

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

"NFRL" shall mean a No Further Remediation Letter issued pursuant to the SRP.
"Non-Governmental Charges" shall mean all non-governmental charges, liens, claims, or encumbrances relating to Developer, the Property or the Project.

"Other Regulated Material" means any Waste, Contaminant, material meeting 35 IAC Part 742-305, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

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

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

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

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

"Prior Obligations" means those amounts of Incremental Taxes deposited in the Chicago/Central Park TIF Fund attributable to the taxes levied on the Chicago/Central Park Redevelopment Area that have been pledged by the City to pay the following:

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<tr>
<td>Conservatory Apartments RDA</td>
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<tr>
<td>Kelis Park Expansion IGA</td>
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</tr>
<tr>
<td>Small Business Improvement Fund (SBIF)</td>
<td>$500,000</td>
</tr>
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</table>

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

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

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

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

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit L, to be delivered by Developer to DPD and DOH pursuant to Section 4.04 of this Agreement.
"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Site Plan" has the meaning defined in the recitals.

"Sponsor" shall mean 548 Foundation, an Illinois not-for-profit corporation which has a five percent (5%) interest in the General Partner.

"SRP" means the State of Illinois Site Remediation Program, as codified at 415 ILCS 5/58, et seq., as amended from time to time.

"State" means the State of Illinois as defined in the recitals.

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

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the later of (a) any date to which DPD and Developer have agreed, (b) the date on which the Chicago/Central Park Redevelopment Area is no longer in effect (through and including [[February 27, 2025 or December 31, 2026]]); or (c) the end of the Compliance Period.

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

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

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

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

"TIF District Administration Fee" shall mean the fee described in Section 4.05(c) hereof.

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

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

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

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof, (i) commence construction no later than five (5) Business Days after executing this Agreement as required in Section 8.18 hereof, and (ii) complete construction, secure the Certificate (as set forth in Section 7.01 prior to the third (3rd) anniversary of starting construction and conduct business operations therein no later than the third (3rd) anniversary of starting construction as required in this Section 3.01.

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

3.03 Project Budget. Developer has furnished to DPD and DOH, and DPD and DOH have approved, a Project Budget showing total costs for the Project in an amount not less than Forty-Three Million Eight-Hundred Seventy Two Thousand Five-Hundred Forty Two Dollars ($43,872,542). Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project; Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DOH certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD and DOH concurrently with the progress reports described in Section 3.07 hereof. Developer shall not authorize or permit the performance of any work relating to any
Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DOH's written approval, which shall not be unreasonably withheld, conditioned or delayed but shall be provided by DOH in its sole reasonable discretion. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to Developer.

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

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

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

3.08 **Inspecting Agent or Architect.** An inspecting agent or architect which may be the lender's (providing Lender Financing) architect or agent approved by DPD shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, at the Developer's expense, providing certifications with respect thereto to DPD and DOH, prior to requests for disbursement for costs related to the Project hereunder or pursuant to the Escrow Agreement.

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

3.10 **Signs and Public Relations.** Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.
3.11 **Utility Connections.** Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

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

3.13 **Environmental Features.** The Project will meet 100 points on the City's Sustainable Design Checklist for each building and will conform to the energy efficiency requirements of the City for the Project and as listed on Exhibit G-2 hereto.

3.14 **Conveyance of City Property** The following provisions shall govern the City's conveyance of the City Property to the Developer.

(a) **Form of Quitclaim Deed.** The City shall convey title to the City Property by a quitclaim deed for the sum of One Dollar ($1 00). The conveyance and title shall, in addition to the provisions of this Agreement, be subject to:

(i) the Redevelopment Plan;
(ii) the standard exceptions in an ALTA insurance policy;
(iii) all general real estate taxes;
(iv) easements, encroachments, covenants and restrictions of record and not shown of record,
(v) such other title defects as may exist; and
(vi) any and all exceptions caused by the acts of Developer or its agents.

If necessary to clear title of exceptions for general real estate tax liens attributable to taxes due and payable prior to the Closing Date, the City shall submit to the County a tax abatement letter and/or file a vacation of tax sale proceeding in the Circuit Court of Cook County, seeking the exemption or waiver of such pre-closing tax liabilities, but shall have no further duties with respect to any such taxes. Developer and the City acknowledge and agree that the fair market value of the City Property, which equals Two Hundred Sixty-Two Thousand Dollars ($262,000), exceeds its four dollar ($4) purchase price and that the City has only agreed to convey the City Property to Developer because Developer has agreed to execute this Agreement and comply with its terms and conditions.

(b) **Title and Survey.** Developer shall, no later than thirty (30) days prior to the Closing Date, obtain at its expense and deliver to the City a Survey of the Property and a commitment for an owner's policy of title insurance issued by the Title Company (the "Title Commitment") in an amount not less than the fair market value of the Property. Developer shall be solely responsible for and shall pay all costs associated with updating the Title Commitment (including all search, continuation and later-date fees), and obtaining the Title Policy and any endorsements. The City shall have no obligation to cure title defects, provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect
to the City Property or liens for such unpaid property taxes, the City shall, as applicable, request that the County void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or file a tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing same, the City Property remain subject to any tax liens, or if the City Property are encumbered with any other exceptions that would adversely affect the use and insurability of the City Property for the development of the Project, Developer shall, as its sole remedy, have the option to either (i) proceed with the purchase of the City Property subject to all defects and exceptions, or (ii) terminate this Agreement, whereupon this Agreement shall be null and void and, except as otherwise specifically provided, neither the City nor Developer shall have any further right, duty or obligation hereunder with respect to the City Property. If Developer elects not to terminate this Agreement, Developer agree to accept title to the City Property subject to all exceptions.

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

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

(e) The Property Closing. The City Property closing shall take place on such date and at such place as the parties may mutually agree to in writing, but in no event earlier than the Closing Date.
(f) Recordation of Quitclaim Deed. Developer shall promptly record the quitclaim deed(s) for the City Property in the Recorder's Office of Cook County. Developer shall pay all costs for so recording the quitclaim deed.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be $43,872,542, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Equity (subject to Sections 4.03(b) and 4.06)</td>
<td>$14,098,500</td>
</tr>
<tr>
<td>--LIHTC Tax Credit Equity</td>
<td>[$14,098,500]</td>
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<tr>
<td>--General Partner Equity</td>
<td>[$10,100]</td>
</tr>
<tr>
<td>ComEd Grant</td>
<td>$385,000</td>
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<tr>
<td>Community Trust Grant</td>
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<tr>
<td>ARO Donation Grant</td>
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<tr>
<td>Deferred Developer Fee</td>
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<tr>
<td>City Multi-Program Loan Funds</td>
<td>$7,332,200*</td>
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<tr>
<td>--CRP/STSC</td>
<td>[$4,995,819]</td>
</tr>
<tr>
<td>--CRP/STSC</td>
<td>[$2,336,381]</td>
</tr>
<tr>
<td>City TIF Grant</td>
<td>$18,107,992**</td>
</tr>
<tr>
<td>Illinois Donations Tax Credit (Equity/Bridge)</td>
<td>$998,750</td>
</tr>
</tbody>
</table>

ESTIMATED TOTAL: $43,872,542

*Total City Multi-Program Loans allowed up to $8,200,000
**Total TIF allowed is up to $18,700,000.

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

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

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse Developer for the costs of the TIF-Funded Improvements:
Source of City Funds | Maximum Amount
Available Incremental Taxes and/or | $18,700,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Eighteen Million Seven Hundred Thousand and no/100 Dollars ($18,700,000) and, at the option of DOH, may be reduced to an amount equal to forty-one and 274/1000 percent (41 274%) of the actual total Project costs, and provided further, that the $18,700,000 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any, shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Available Incremental Taxes deposited into the Chicago/Central Park TIF Fund shall be sufficient to pay for such costs. The City Funds shall be disbursed in five (5) installments as follows (after the first installment the remaining installments shall be in equal amounts)

i) The first installment of City Funds in the amount of up to $1,000,000 to reimburse Developer for the costs of Acquisition shall be paid as soon as (A) Developer provides appropriate documentation of Acquisition costs (B) Chicago Central Park TIF funds are available after closing

ii) The second installment of City Funds in the amount of up to $4,425,000 shall be paid upon 25% of construction completion,

iii) The third installment of City Funds in the amount of up to $4,425,000 shall be paid upon 50% of construction completion;

iv) The fourth installment of City Funds in the amount of up to $4,425,000 shall be paid upon 75% of construction completion; and

v) The fifth and final installment of City Funds in the amount of up to $4,425,000 shall be paid upon the issuance of the Certificate of Completion of Construction

The City shall use its Transfer Rights as follows

transfer an amount of Kinzie Incremental Taxes, if available, into the Chicago/Central Park TIF Fund needed to make the Available Incremental Taxes sufficient to fund the payment of City Funds to reimburse the Developer for TIF Eligible Redevelopment Costs

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of $18,700,000 is contingent upon the fulfillment of the foregoing conditions. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately

4.04 Construction Escrow; Requisition Form. The City and Developer hereby agree to enter into the Escrow Agreement. All disbursements of Project funds (except for the Prior Expenditures, if any, and acquisition costs disbursed through a deed and money escrow at the closing or as otherwise set forth herein) shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. The City must receive copies of any draw requests and related documents
submitted to the Title Company and shall have the right to approve any and all draw requests. The Developer shall submit a Requisition Form to DPD prior to each disbursement of City Funds per Section 4.03 above and the City shall use its best efforts to respond to Developer's Requisition Form within forty-five (45) days. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per quarter (or as otherwise permitted by DOH/DPD). If required, the Developer shall meet with DPD upon request to discuss the Requisition Forms previously delivered. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements

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

(b) Purchase of Property. A portion of the purchase price of the Property, exclusive of transaction costs, in an amount not to exceed $1,000,000, shall be reimbursed to Developer from City Funds as soon after the Closing Date as a TIF-Funded Improvement as soon after the Closing Date as City Funds may be available either directly or through the Escrow.

(c) TIF District Administration Fee. Annually, the City may allocate an amount (the "TIF District Administration Fee") not to exceed five percent (5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Chicago/Central Park Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

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

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

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

(a) the total amount of the disbursement request set forth in the Requisition Form represents the actual cost of the Acquisition or the actual amount payable to (or paid to) (i) the General Contractor and/or subcontractors who have performed work on the Project and/or (ii) the architect for the inspections performed in monitoring the construction of the Project, and/or their payees,

(b) all amounts shown as previous payments on the current disbursement request set forth in the most recent Requisition Form have been paid to the parties entitled to such payment,

(c) Developer has approved all work and materials for the current disbursement request set forth in the most recent Requisition Form, and such work and materials conform to the Plans and Specifications;

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

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens, or liens bonded over by the Developer or insured by the Title Company,

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

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

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement 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 but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.
4.08 **Conditional Grant.** The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer’s compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as set forth in this Agreement including, without limitation, as set forth in Section 7.03 (c) and 15.02 hereof. The parties hereto agree and acknowledge that the City Funds being provided hereunder shall be granted to Sponsor and Sponsor shall loan and/or contribute the City Funds to the Owner.

**SECTION 5. CONDITIONS PRECEDENT**

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

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

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

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

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

5.05 **Acquisition and Title.** On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner’s comprehensive endorsement and satisfactory endorsements regarding zoning (3 1 with parking), contiguity, location, access and survey. Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD’s satisfaction, by the Title Policy and any endorsements thereto.

5.06 **Evidence of Clean Title.** Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer’s name (and the following trade names
of Developer. 548 Humboldt Park, Inc LLC ("548 Humboldt") and 548 Development LLC ("548 Development") showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Searches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary of State</td>
<td>UCC, Federal tax</td>
</tr>
<tr>
<td>Cook County Recorder</td>
<td>UCC, Fixtures, Federal tax, State tax, Memoranda of judgments</td>
</tr>
<tr>
<td>U.S. District Court</td>
<td>Pending suits and judgments</td>
</tr>
<tr>
<td>Clerk of Circuit Court, Cook County</td>
<td>Pending suits and judgments</td>
</tr>
</tbody>
</table>

5.07 **Surveys.** Developer has furnished the City with a copy of the Survey.

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

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

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

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

5.12 **Documentation; Employment Plan** The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters including (i) those in connection with the construction or rehabilitation work on the Project, and (ii) the reports described in Section 8.07

5.13 **Environmental**

(a) **Remediation.** The Developer provided the City with Phase I Environmental Site Assessments ("Phase I ESA") compliant with ASTM E-1527-13 for the Properties and Phase II Environmental Site Assessments ("Phase II ESA")

The Phase I ESAs for the Property identified Recognized Environmental Conditions ("RECs") and the Owner performed Phase II ESAs to ascertain the presence of any environmental impacts that may be associated with the RECs.

The Phase II ESAs identified contamination above residential remediation objectives as determined by Title 35 of the Illinois Administrative Code ("IAC") Part 742, and the Owner must
enroll the Properties in the Illinois Environmental Protection Agency’s ("IEPA") Site Remediation Program ("SRP").

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

Upon receipt of the RAP Approval Letters for the Properties, the Developer Owner covenants and agrees to complete all Remediation Work necessary to obtain Final Comprehensive residential No Further Remediation ("NFR") Letters for the Properties using all reasonable means. The City shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer’s estimate of the cost to perform the Remediation Work. The Developer shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final Comprehensive residential NFR Letters, and the costs of any other investigative and cleanup costs associated with the Properties. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees that the City will not permit occupancy until the City has approved (not to be unreasonably withheld) and the Developer has submitted to the IEPA, a substantially complete request for Final Comprehensive residential NFR Letters for the Properties in the City’s reasonable discretion. If the Developer fails to obtain the Final NFR Letters within six (6) months of the submission of the Remedial Action Completion Report to the IEPA, then the City shall have the right to record a notice of default of this RDA against the Property.

The Developer must abide by the terms and conditions of the Final Comprehensive residential NFR Letter.

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

"Losses" means any and all debts, liens (including, without limitation, lien removal and bonding costs), claims, actions, suits, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys' fees and expenses, consultants' fees and expenses, costs of investigation, and court costs).

(c) Release Runs with the Property. The covenant of release in Section 5.13(b) shall run with the Property, and shall be binding upon all successors and assigns of Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through Developer following the date of the Deed. The Developer Parties acknowledge and agree that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to Developer. It is expressly agreed and understood by and between Developer and the City that, should any future obligation of Developer or any of the Developer Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither Developer nor any of the Developer Parties will assert that those obligations must be satisfied in whole or in part by the City because Section 5.13(b) contains a full, complete and final release of all such claims.

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its certificate of limited partnership containing the original certification of the Secretary of State of Illinois, Developer’s certificate of existence and good standing from the Secretary of State of Illinois; a certified copy of Developer’s Partnership Agreement; an incumbency certificate for Developer. 548 Humboldt and 548 Development have each provided Articles of Organization containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which each of 548 Humboldt and 548 Development is qualified to do business; a secretary’s certificate in such form and substance for each as the Corporation Counsel may require, the operating agreement of each of 548 Humboldt and 548 Development; and such other corporate documentation as the City has requested. Regarding 548 Foundation, an Illinois not-for-profit corporation and a non-profit member of the Developer as a member of 548 Humboldt (the general partner of the Developer), 548 Foundation has provided the following: a certificate of good standing for 548 Foundation from the Secretary of State of Illinois and all other states in which 548 Foundation is qualified to do business; copies of the 548 Foundation’s articles of incorporation containing the original certification of the Secretary of State, member’s certificate for 548 Foundation, certificates of good standing from the Secretary of State of its state of incorporation and all other states in which 548 Foundation is qualified to do business, a secretary’s certificate in such form and substance as the Corporation Counsel may require, by-laws of 548 Foundation, and such other corporate documentation as the City has requested.
Developer and each of its subsidiaries and affiliates (the "Developer Parties") have provided to the City an EDS, dated as of the Closing Date, each of which is incorporated by reference, and Developer further will provide (and cause its subsidiaries and affiliates to 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 above-referenced EDS(es), failure of any of the EDS(es) to include all information required under the Municipal Code renders this Agreement voidable at the option of the City Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. Pending approval of the Construction Contract as set forth in Section 6.02 below, Developer shall select a Joint Venture between Powers and Sons Construction and Milhouse Construction, Inc. pursuant to an Agreement dated ______, 2023, as the "General Contractor." Developer shall cause the General Contractor to (A) solicit bids from at least three (3) qualified subcontractors eligible to do business in the City of Chicago and (B) use General Contractor's best efforts (as determined by the DPD) to obtain a bid from an M/WBE enterprise for each construction trade. Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

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

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

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall require the General Contractor and each subcontractor to adhere to the Architectural, Technical Standards Manual currently in use by the construction and compliance division of DPD and/or DOH ("ATSM Manual").

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

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

1. receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for the Project, 100% of the Project has been constructed and the architect of record has issued a certificate of substantial completion;

2. Evidence that Owner has incurred TIF-eligible costs, in an equal amount to, or greater than, $18,700,000,

3. Evidence that Owner has incurred, and paid for, not less than 100% of the total Project Budget for the completion of the Project which shall be equal to or greater than $43,872,542, as modified by Change Order.
4 Evidence that the Project has no construction-related liens, subject to the Developer's right to contest or object in good faith to construction-related liens by appropriate legal proceedings properly and diligently instituted and prosecuted, during which time the Developer shall furnish a good and sufficient bond covering such lien.

5 The City's monitoring and compliance unit has verified that, at the time the Certificate is issued, the Developer is in full compliance with City requirements set forth in Section 10 and Section 8.06 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project, and that 100% of the Developer's MBE/WBE Commitment in Section 10.03 has been fulfilled;

6. The Owner has provided (1) evidence of installation of the environmental features as detailed on Exhibit G-2, and (2) an affidavit from its architect certifying that the Facility will achieve 100 points for each building on the Chicago Sustainable Design Checklist;

7. The Facility is open for operation and in the process of being marketed for lease to tenants pursuant to the requirements set forth in the affordability provisions of the regulatory agreement executed by the Developer in connection with the Low-Income Housing Tax Credits; and

8. There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition nor event which, with the giving of notice or passage of time or both, would constitute an Event of Default

9. Evidence that the Project, the General Contractor and each subcontractor adhere to he Architectural, Technical Standards Manual currently in use by the construction and compliance division of DPD and/or DOH ("ATSM Manual")

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

Those covenants specifically described at Sections 8.02, 8.07, 8.19 and 8.24 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate, provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.16 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.
7.03 **Failure to Complete** If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

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

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

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

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

**SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.**

8.01 **General.** Developer 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 limited partnership duly organized, validly existing, qualified to do business in [its state of incorporation/organization and in] Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(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 partnership and corporate action, and does not and will not violate its partnership agreement or other corporate documents as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer is now or may become bound;

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

(e) Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;
(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting Developer which would impair its ability to perform under this Agreement;

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

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

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

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

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

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

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

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

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

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

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

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

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

8.03 Redevelopment Plan Developer represents that the Project is and shall be in compliance with all of the terms of the Chicago/Central Park Redevelopment Plan, which is hereby incorporated by reference into this Agreement.
8.04 **Use of City Funds.** City Funds disbursed to Developer shall be used by Developer solely to pay for (or to reimburse Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

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

8.06 **Covenant to Restrict Use of Property.** Developer covenants to only use the Property for residences occupied pursuant to the regulatory agreement executed for Low Income Housing Tax Credits and attendant uses. This restriction for use of the Property shall be maintained throughout the Compliance Period.

8.07 **Employment Opportunity; Progress Reports.** Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer shall correct any shortfall.

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

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

8.10 **Arms-Length Transactions.** Unless DPD has given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer shall provide information with respect to any entity to
receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement. As set forth herein including, but not limited to, Section 4.08, the City Funds may be conveyed to the Sponsor.

8.11 Conflict of Interest. Pursuant to Section 5/11-74-4-4(n) of the Act, Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Chicago/Central Park Redevelopment Area or the Chicago/Central Park Redevelopment Plan, or any consultant hired by the City or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer's business, the Property or any other property in the Chicago/Central Park Redevelopment Area.

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

8.13 Financial Statements. Developer shall obtain and provide to DPD/DOH Financial Statements for Developer's two (2) most recent fiscal years that are currently available and subsequent years as such audited financial statements become available thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as the City may request.

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

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

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or
(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

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

8.18 Recording and Filing  Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be executed by Developer and returned to the City as so executed within one-hundred eighty (180) days of being approved by City Council and then promptly recorded prior to any mortgage made in connection with Lender Financing. Developer acknowledges and agrees that if this Agreement is not recorded first, a subordination agreement will have to be prepared, executed and recorded. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges

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

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

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

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

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

(c) **Real Estate Taxes**

(i) **INTENTIONALLY LEFT BLANK**

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

(iii) No Reduction in Real Estate Taxes. Except for Developer's application with the Cook County Affordable Housing Tax Program ("Class 9"), neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project (below the amount of the Minimum Assessed Value as shown in Exhibit K for the applicable year]).

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

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

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

8.20 Annual Report(s). (a) Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.
8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant, to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Green Building Certification. A green roof on the third and fourth floors of the Facility shall provide outdoor amenity space for the residents. The Project is designed to meet PHIUS certification and Enterprise Plus certification. The Project will be certified to Enterprise Green Communities Plus and PHIUS Core green building certifications. The Project will need to further comply with the Chicago Sustainable Development Policy for new construction.

8.23. FOIA and Local Records Act Compliance.

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

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

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

8.24 Affordable Housing Covenant. Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of (i) that certain Low Income Housing Tax Credit Regulatory Agreement executed by Developer and Illinois Housing Development Authority ("IHDA") as of the date hereof and (ii) shall govern the terms of Developer's obligation to provide affordable housing. Following foreclosure, if any,
and from the date of such  foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Facility shall be operated and maintained solely as residential rental housing and ground floor commercial space, with the exception of any leasing and property management office and parking spaces.

(b) All of the units in the Facility have monthly rents not in excess of sixty percent (60%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(c) As used in this Section 8.24, the following terms has the following meanings:

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

(ii) "Low Income Families" shall mean Families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

(d) The covenants set forth in this Section 8.24 shall run with the land and be binding upon any transferee.

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

8.25 INTENTIONALLY LEFT BLANK

8.26 INTENTIONALLY LEFT BLANK

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder
9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

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

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.
(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

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

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

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

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

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

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

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

At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the General Contractor and each subcontractor to verify or clarify an employee’s actual address when doubt or lack of clarity has arisen.
Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of 0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retention to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

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

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

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

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

(1) At least twenty-six percent (26%) by MBEs

(2) At least six percent (6%) by WBEs.
(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable.

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

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

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

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.
(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

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

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any lien 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. This Section 11 shall survive the Closing Date or any termination of this Agreement (regardless of the reason for such termination).
SECTION 12. INSURANCE

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

(a) Prior to execution and delivery of this Agreement

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

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

(iv) **Railroad Protective Liability**

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

(v) **All Risk /Builders Risk**

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

(vi) **Professional Liability**

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

(vii) **Valuable Papers**

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

(viii) **Contractors Pollution Liability**

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

(c) **Post Construction**

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

(d) **Other Requirements:**

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

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

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

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

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

Any insurance or self-insurance programs maintained by the City of Chicago do not contribute with insurance provided by Developer under the Agreement.
The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

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

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

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

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

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such 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 in any manner relating or arising out of

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

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

(iii) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum or the Chicago/Central Park Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer, or

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

(i) the dissolution of Developer;

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

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

(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(i) hereof, a person with a material interest in Developer shall be one y having a direct or indirect beneficial interest (including ownership) in excess of 10% of Developer.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid, and/or seek reimbursement of any City Funds paid. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the
agreements contained herein. Upon the occurrence of an Event of Default under Section 8.06, Developer shall be obligated to repay to the City all previously disbursed City Funds.

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

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

SECTION 16. MORTGAGING OF THE PROJECT

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

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

(b) In the event that any mortgagee shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" hereunder, provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such
party accepts an assignment of Developer’s interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer’s interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) During the Term of this Agreement, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

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

<table>
<thead>
<tr>
<th>If to the City:</th>
<th>If to Developer:</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chicago</td>
<td>548 Passive HP LP</td>
</tr>
<tr>
<td>Department of Planning and Development 121 North LaSalle Street, Room 1000</td>
<td>700 N. Larrabee St., Suite 1301</td>
</tr>
<tr>
<td>Chicago, Illinois 60602</td>
<td>Chicago, IL 60654</td>
</tr>
<tr>
<td>Attention: Commissioner</td>
<td>Attention: AJ Patton</td>
</tr>
<tr>
<td>With Copies To</td>
<td>With Copies To.</td>
</tr>
<tr>
<td>City of Chicago</td>
<td>Neal &amp; Leroy, LLC</td>
</tr>
<tr>
<td>Department of Law</td>
<td>20 S Clark Street, Suite 2050</td>
</tr>
<tr>
<td>121 North LaSalle Street, Room 600</td>
<td>Chicago, Illinois 60603</td>
</tr>
<tr>
<td>Chicago, Illinois 60502</td>
<td>Attention: Langdon Neal</td>
</tr>
<tr>
<td>Attention: Finance and Economic Development Division</td>
<td></td>
</tr>
</tbody>
</table>

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

SECTION 18. MISCELLANEOUS

18.01 Amendment This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto, provided, however, that the City, in its sole discretion, may amend, modify or supplement the Chicago/Central Park Redevelopment Plan without the consent of any party hereto. It is agreed that no material
amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "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 [ninety (90)] days.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18.16 Force Majeure. Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect
to any such delay may rely on this section only to the extent of the actual number of days of delay
effected by any such events described above.

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

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

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

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]
In Witness Whereof, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

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

By

Maurice D Cox, Commissioner

548 Passive HP L.P., an Illinois Limited Partnership

By: 548 Humboldt Park, Inc. LLC, an Illinois limited liability company
Its: General Partner

By: 548 Development LLC, an Illinois limited liability company
Its: Managing Member

By

Its

548 Foundation, an Illinois not-for-profit corporation

By:

Its:
I, ______________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that, _____________________, personally known to me to be the ______________________ of 548 Development LLC, an Illinois limited liability company (the "Managing Member") the managing member of 548 Humboldt Park, Inc. LLC, an Illinois limited liability company (the "General Partner") the general partner of 548 Passive HP L P , an Illinois limited partnership (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the General Partner of 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 notarial seal this ___ day of ____________, 2023.

________________________
Notary Public

My Commission Expires ____________

(SEAL)

I, ______________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that, _____________________, personally known to me to be the ______________________ of 548 Foundation, an not-for-profit corporation (the "Sponsor") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the board of directors of Sponsor, 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 notarial seal this ___ day of ____________, 2023.

________________________
Notary Public

((Sub)Exhibit "B" referred to in this 548 Passive HP L.P. Redevelopment Agreement constitutes Exhibit "B" to ordinance printed on page 61842 of this Journal.)

((Sub)Exhibits "D", "M" and "P" referred to in this 548 Passive HP L.P. Redevelopment Agreement intentionally omitted.)

(Sub)Exhibits "C", "G", "G-2", "H-1", "H-2", "I", "J", "L" and "N" referred to in this 548 Passive HP L.P. Redevelopment Agreement read as follows:

My Commission Expires ____________

(SEAL)

State of Illinois  
County of Cook  

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

Given under my hand and notarial seal this ____ day of ______________, _____

___________________________________  

Notary Public  

My Commission Expires ____________

(SEAL)
(Sub)Exhibit "C"
(To 548 Passive HP LP. Redevelopment Agreement)

TIF-Funded Improvements.

Humboldt Park Passive Living: 3831 West Chicago Avenue

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Cost</th>
<th>TIF Amount</th>
</tr>
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<tbody>
<tr>
<td>Building Cost</td>
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<tr>
<td>Acquisition Costs Subtotal</td>
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<tr>
<td>Net Construction Costs</td>
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<tr>
<td>General Conditions</td>
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<tr>
<td>Overhead</td>
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<tr>
<td>Construction Costs Subtotal:</td>
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<tr>
<td>Building Permits</td>
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<td>Site Preparation</td>
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<td>Contingency</td>
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<td>Other Construction Subtotal:</td>
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<td>Electrical and Gas</td>
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<td>Sidewalk -- Engineered Barner</td>
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<td>Sewer and Water</td>
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<td>Other Infrastructure -- Engineer Barriers</td>
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<td>Contingency</td>
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<td>Infrastructure Subtotal:</td>
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### Line Item

<table>
<thead>
<tr>
<th>Line Item</th>
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</thead>
<tbody>
<tr>
<td>Soil Testing</td>
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<tr>
<td>Land Remediation</td>
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<td>Lead-Based Paint Removal</td>
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<td>Asbestos Removal</td>
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<td>Underslab Gas Containment</td>
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<td>Contingency</td>
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<td><strong>Environmental Subtotal.</strong></td>
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<tr>
<td>Architect -- Design</td>
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<td>Architect -- Supervision</td>
<td>200,314</td>
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<tr>
<td>Phase II Environmental Report</td>
<td>90,000</td>
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<td><strong>Professional Fees Subtotal.</strong></td>
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<td>Liability Insurance</td>
<td>$25,000</td>
</tr>
<tr>
<td>Construction Period Subtotal.</td>
<td>$25,000</td>
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</tbody>
</table>

* Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed $18,700,000.

(Sub)Exhibit "G".
(To 548 Passive HP L P. Redevelopment Agreement)

**Permitted Liens**

1. Liens or encumbrances against the Property.

   Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.
2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any:

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

(Sub)Exhibit “G-2”.
(To 548 Passive HP L.P Redevelopment Agreement)

Environmental Features.

The project will meet the requirements of DPD's sustainability requirements in effect at closing.

(Sub)Exhibit “H-1”.
(To 548 Passive HP L.P Redevelopment Agreement)

Project Budget.

<table>
<thead>
<tr>
<th>Humboldt Park Passive Living</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Line Item</strong></td>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td>Building Cost</td>
<td>$1,025,000</td>
</tr>
<tr>
<td>Carrying Costs</td>
<td>200,000</td>
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<tr>
<td>Legal</td>
<td>30,000</td>
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<tr>
<td>Acquisition Costs Subtotal:</td>
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<tr>
<td>Net Construction Costs</td>
<td>25,658,846</td>
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<tr>
<td>General Conditions</td>
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<tr>
<td>Overhead</td>
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<tr>
<td>Profit</td>
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<td>Construction Costs Subtotal.</td>
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<td>Furniture, Fixtures and Equipment</td>
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<td>Building Permits</td>
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<td>GC Insurance</td>
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<tr>
<td>Other Construction</td>
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<td>Other Construction Subtotal:</td>
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<td>Electrical and Gas</td>
<td>100,000</td>
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<td>Sewer and Water</td>
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<td>Contingency</td>
<td>7,500</td>
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<td>Infrastructure Subtotal:</td>
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### Humboldt Park Passive Living

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Soil Testing</td>
<td>$ 25,000</td>
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<td>Asbestos Removal</td>
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<td>Other Environmental</td>
<td>125,000</td>
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<td>Contingency</td>
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<td><strong>Environmental Subtotal.</strong></td>
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<td>Construction</td>
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<td>Consultants</td>
<td>209,400</td>
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<td>General Conditions</td>
<td>95,699</td>
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<td>Overhead</td>
<td>31,900</td>
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<tr>
<td>Profit</td>
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<td>Contingency</td>
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<td><strong>Commercial Subtotal.</strong></td>
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<td>Architect -- Design</td>
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<td>Architect -- Supervision</td>
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<td>Engineering Fees</td>
<td>443,320</td>
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<td>Blueprints and Reproductions</td>
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<td>Permit Expeditor</td>
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<td>As-Is Plats and Surveys</td>
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<td>Accountant -- Tax Preparation</td>
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<td>Accountant -- 8609s</td>
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<td>Legal -- Organizational</td>
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<td>Legal -- Syndication</td>
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<td>Consultant -- Financial</td>
<td>100,000</td>
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<td>Appraisal</td>
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<td>Market Study</td>
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<td>Phase I Environmental Report</td>
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<td>Phase II Environmental Report</td>
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<td>Title and Recording Fees</td>
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<td>Other Professional Fees</td>
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<td><strong>Professional Fees Subtotal:</strong></td>
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<td>Tax Credit Issuer Fees</td>
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<td>Application Fees</td>
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<td>Perm Loan Points</td>
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<td>Construction Inspection</td>
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<td>Lender Legal Fees</td>
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<td>Construction Interest</td>
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<td><strong>Lender Fees Subtotal:</strong></td>
<td><strong>$2,423,395</strong></td>
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### Humboldt Park Passive Living

<table>
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<th>Line Item</th>
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<td>Liability Insurance</td>
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<td>Real Estate Taxes</td>
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<td>Construction Period Subtotal:</td>
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<td>Other Marketing and Leasing</td>
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<td>Marketing and Leasing Subtotal:</td>
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<td>Developer Fee</td>
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<td>Deferred Developer Fee</td>
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<td>Developer Fee Subtotal</td>
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<td>Lease-Up Reserve</td>
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<td>Insurance Reserve</td>
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<td>Property Tax Reserve</td>
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<td>Operating Reserve</td>
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<td>Replacement Reserve</td>
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<td>Reserves Subtotal</td>
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<td>Grand Total Development Costs.</td>
<td>$43,872,542</td>
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(Sub)Exhibit "H-2".
(To 548 Passive HP L.P. Redevelopment Agreement)

MBE/WBE Budget.

MBE/WBE Development Budget
Humboldt Park Passive Living
3831 West Chicago Avenue

<table>
<thead>
<tr>
<th></th>
<th>Project Total</th>
<th>MBE-26 percent</th>
<th>WBE-6 percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hard Costs</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Residential</td>
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<td>Construction Costs</td>
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<td>General Conditions</td>
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<td>Overhead</td>
<td>$513,177</td>
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<td>Profit</td>
<td>$1,539,531</td>
<td>400,278.06</td>
<td>92,372</td>
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4/19/2023

REPORTS OF COMMITTEES

<table>
<thead>
<tr>
<th>Project Total</th>
<th>MBE-26 percent</th>
<th>WBE-6 percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Construction Costs.</td>
<td>$1,594,987</td>
<td>$414,696 62</td>
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<tr>
<td>Commercial General Conditions</td>
<td>95,699</td>
<td>24,881 74</td>
</tr>
<tr>
<td>Commercial Overhead</td>
<td>31,900</td>
<td>8,294 00</td>
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<tr>
<td>Commercial Profit</td>
<td>95,699</td>
<td>24,881 74</td>
</tr>
</tbody>
</table>

Subtotal: $31,069,370 $8,078,036 $1,864,162

(Sub)Exhibit "I".
(To 548 Passive HP L P Redevelopment Agreement)

Approved Prior Expenditures.

Acquisition: $1,000,000

(Sub)Exhibit "J".
(To 548 Passive HP L P Redevelopment Agreement)

Opinion Of Developer's Counsel.

[To Be Retyped On Developer's Counsel's Letterhead]

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

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

(a) ________________ Redevelopment Agreement (the “Agreement”) of even date herewith, executed by Developer and the City of Chicago (the “City”);

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

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

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

In addition to the foregoing, we have examined.

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

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

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

Based on the foregoing, it is our opinion that:

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

______________________________

By. __________________________

Name: _________________________

[(Sub)Exhibit "A" referred to in this Opinion of Developer's Counsel unavailable at time of printing.]
(Sub)Exhibit "L".
(To 548 Passive HP LP Redevelopment Agreement)

Requisition Form.

State of Illinois )
) SS.
County of Cook )

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

A. Expenditures for the Project, in the total amount of $____________, have been made

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

   $____________

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

   $____________

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

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

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

   2. No Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.
All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

[Developer]

By: __________________________

Name

Title: __________________________

Subscribed and sworn before me this ____ day of ____________ ______.

My commission expires. __________

Agreed and Accepted:

_____________________________

Name

Title _________________________

City of Chicago,
Department of Planning
and Development

(Sub)Exhibit "N"
(To 548 Passive HP LP Redevelopment Agreement)

Form Of Subordination Agreement.

[Sample -- Update Based On Specific Project]

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

Whereas, [Identify Developer, Project and Property], and

Whereas, [List Financing and Security Documents] (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents"); and

Whereas, The Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement", referred to herein along with various other agreements and documents related thereto as the "City Agreements"), and

Whereas, Pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections [8.02, 8.06, and 8.19] [update based on Section 7.02] of the Redevelopment Agreement (the "City Encumbrances"); and

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

Now, Therefore, For good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth.

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

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

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.
4 Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

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

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

If To The City:
City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention Commissioner

with copies to:
City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention Finance and Economic Development Division

If To Developer:

Attention:

with copies to:

Attention:

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

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

In Witness Whereof, This Subordination Agreement has been signed as of the date first written above

[Lender], [a national banking association]

By: __________________________

 Its: __________________________

City of Chicago

By: __________________________

Its __________________________ Commissioner,
Department of Planning and Development

Acknowledged and agreed to this ______ day of ____________, ___.

[Developer], a __________________________

By: __________________________

Its: __________________________
The Committee on Finance submitted the following report

CHICAGO, April 19, 2023

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending the approval of development and use of facilities at Durkin Park and adjacent property, located in the 18th Ward, and execution of the associated water supply agreement with the City of Joliet (O2023-1333), having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows.


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.
The following is said ordinance as passed.

WHEREAS, In accordance with the provisions of Article VII, Section 6(a) of the Constitution of the State of Illinois (the “State Constitution”), the City of Chicago (the “City”) as a home rule unit of government may exercise any power and perform any function relating to its government and affairs; and

WHEREAS, The City of Joliet, Illinois (“Joliet”) is a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the State Constitution, and

WHEREAS, In 2015, the Illinois State Water Survey published results of groundwater modeling indicating that desaturation of the aquifer providing water to Joliet could occur within 15 -- 30 years; and

WHEREAS, To address this impending water shortage, beginning in August 2018, Joliet began evaluating 14 water source alternatives; and

WHEREAS, In January 2019, Joliet determined that five of the alternatives met the required water quality and water quantity criteria for further exploration, including water from Lake Michigan; and

WHEREAS, On June 27, 2019, Joliet issued a Request for Information (“RFI”) for the purpose of searching for alternate water supply sources and providers, and

WHEREAS, On July 11, 2019, the City filed its Notice of Intent to submit a response to the RFI, and on August 22, 2019, the City submitted its response to the RFI and provided Joliet with options for the provision of Lake Michigan water from the City’s water system to Joliet pursuant to a water supply agreement to be negotiated and entered into between the City and Joliet (the “Water Supply Agreement”); and

WHEREAS, In support of its bid, the City negotiated with Joliet to come to a preliminary understanding with respect to certain terms of the Water Supply Agreement, as stated in that certain Preliminary Agreement with Respect to the Anticipated Water Supply Agreement Between the City of Chicago and the City of Joliet (the “Preliminary Agreement”), and

WHEREAS, The City Council of the City (the “City Council”) approved execution by the City of the Preliminary Agreement pursuant to that certain ordinance adopted by the City Council on December 16, 2020 and published in the Journal of the Proceedings of the City Council of the City of Chicago (the “Journal”) for such date at pages 24850 through 24870, inclusive, and as amended by that certain ordinance adopted by the City Council on February 24, 2021 and published in the Journal for such date at pages 27532 through 27567, inclusive (as amended, the “Preliminary Agreement Ordinance”), and
WHEREAS, On January 28, 2021, the Joliet City Council selected the City as its new alternative water source provider, and

WHEREAS, Pursuant to authority under the Preliminary Agreement Ordinance, the Commissioner of Water Management (the "Commissioner") executed the Preliminary Agreement on behalf of the City on March 10, 2021, and the Mayor of Joliet executed the Preliminary Agreement on behalf of Joliet on March 17, 2021; and

WHEREAS, As contemplated in the Preliminary Agreement, the City and Joliet have continued negotiations with respect to finalizing the terms of the Water Supply Agreement, substantially the form attached hereto as Exhibit A and hereby made a part hereof, and

WHEREAS, The Water Supply Agreement provides that, in order for the City to supply water to Joliet, new water supply infrastructure (the "Infrastructure") will be built at the City's Southwest Pumping Station and at Durkin Park, and a portion of the Infrastructure will be owned and operated by Joliet; and

WHEREAS, The City intends to finance, own and operate a portion of the Infrastructure, the cost of which will be repaid by Joliet through its water rates; and

WHEREAS, Pursuant to that certain ordinance adopted by the City Council on July 21, 2021 and published in the Journal for such date at pages 32846 through 32859, inclusive, the Commissioner entered into that certain Intergovernmental Agreement dated as of July 30, 2021 (the "Intergovernmental Agreement") with the Chicago Park District (the "Park District"), under which the City will acquire a two-acre portion of Durkin Park (the "Existing Parkland") from the Park District for the site of the Infrastructure; and

WHEREAS, Pursuant to that certain First Amendment to Intergovernmental Agreement, entered into between the City and the Park District, the Park District and the City have extended the outside closing date for transfer of title to the Existing Parkland set forth in Section 4 of the Intergovernmental Agreement, from December 31, 2022 to July 31, 2023, and

WHEREAS, The City will grant Joliet an easement to the Existing Parkland (the "Easement Agreement for Durkin Park") and various easements to the Southwest Pumping Station property (the "Easement Agreement for Two (2) Permanent Easements and Seven (7) Temporary Easements at the City of Chicago Southwest Pumping Station Property") for the installation, operation, maintenance and removal of the Infrastructure and restoration of the properties encumbered by such easements (collectively, the "Easements"), and

WHEREAS, The Water Supply Agreement will provide substantial financial value to the City and its residents through the payment of water rates by Joliet to the City, and

WHEREAS, Joliet has agreed to contribute $1,750,000 to make improvements to parks in the area surrounding Durkin Park for the benefit of local residents while construction is ongoing at Durkin Park, and
WHEREAS, The City, Joliet and the Park District conducted an outreach process with local residents to determine the improvements to be funded by Joliet at surrounding parks and Durkin Park, and

WHEREAS, The Water Supply Agreement provides that Joliet will restore Durkin Park based upon the desired specifications of community members upon completion of the construction of the Infrastructure at Durkin Park, and

WHEREAS, The Water Supply Agreement further provides that with respect to design and construction of the Infrastructure, Joliet will comply with City contracting requirements, including City residency, project area residency and MBE/WBE; and

WHEREAS, As contemplated in the Water Supply Agreement, Joliet has led the formation of a new, regional water commission (the "Water Commission") comprising Joliet and five communities in the southwest suburbs which are joining Joliet in this initiative, thus facilitating the City's provision of water to approximately 250,000 Illinois residents whose deep aquifer water sources are rapidly depleting, and

WHEREAS, In accordance with the Preliminary Agreement Ordinance, the Commissioner has formed an Advisory Council to engage the City's wholesale water customers on an ongoing basis, strengthening the City's relationship with its suburban water partners and ushering in a new era of regional collaboration on water policy and operations; and

WHEREAS, The City Council has determined that it is in the best interests for the City to enter into the Water Supply Agreement with Joliet, now, therefore,

Be it Ordained By The City Council Of The City Of Chicago, as follows:

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

SECTION 2. This ordinance is an exercise of home rule power under Article VII, Section 6(a) of the State Constitution

SECTION 3. Notwithstanding the Illinois Municipal Code, 65 ILCS 5/11-124-1, et seq., the Water Supply Agreement is hereby authorized and approved in substantially the form attached hereto as Exhibit A, including a contract term exceeding 40 years.

SECTION 4 Notwithstanding the Metropolitan Water Reclamation District Act, 70 ILCS 2605/1, et seq. (the "MWRD Act"), the Water Supply Agreement is hereby authorized and approved in substantially the form attached hereto as Exhibit A, including the rates at which Lake Michigan water shall be sold by the City to Joliet

SECTION 5. Notwithstanding the MWRD Act, the Water Supply Agreement is hereby authorized and approved in substantially the form attached hereto as Exhibit A, including provisions regarding Joliet supplying water to its subsequent purchasers.
SECTION 6 The Water Supply Agreement shall contain such revisions in text as the Commissioner shall determine are necessary or desirable, the execution thereof, and any amendment thereto, by the Commissioner to evidence the City Council's approval of all such revisions. The Commissioner is hereby authorized to execute the Water Supply Agreement on behalf of the City and to take such actions and do such things as shall be necessary to perform, carry out, give effect to and consummate the transactions contemplated by this ordinance and/or the administration of the Water Supply Agreement during its term, including, but not limited to, the exercise of any power or authority delegated to such officer of the City under this ordinance with respect to the Water Supply Agreement, but subject to any limitations on or restrictions of such power or authority as herein set forth, and any actions heretofore taken by such officer of the City in accordance with the provisions of this ordinance are ratified and approved.

SECTION 7 Legally available moneys in the Water Fund are hereby appropriated in an amount not exceeding $65,000,000 for payment of monetary obligations of the City in connection with the design and construction of the Infrastructure in accordance with the Water Supply Agreement.

SECTION 8. The Commissioner is hereby authorized to enter into such amendments to the Water Supply Agreement, as may be deemed necessary or in the best interests of the City, in connection with the assignment of the Water Supply Agreement by Joliet to the Water Commission, and to enter into and execute all such other related instruments and to perform any and all related acts as shall be necessary or advisable in connection with the Water Supply Agreement and the construction of the Infrastructure. Such other related instruments include, but are not limited to, the Easement Agreement for Durkin Park, and the Easement Agreement for Two (2) Permanent Easements and Seven (7) Temporary Easements at the City of Chicago Southwest Pumping Station Property that are in substantially the forms attached to this ordinance as Exhibits B and C, respectively, with such revisions to those documents as the Commissioner agrees to in her sole discretion, including revisions to the locations, duration and permitted uses of the easements. The Commissioner is further authorized to enter into rights of entry in connection with managing the Water Supply Agreement.

SECTION 9 This ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least five copies hereof, which copies are to be made available in the Office of the City Clerk for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance.

SECTION 10. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 11. This ordinance shall be effective as of the date of its passage and approval.

Exhibits "A", "B" and "C" referred to in this ordinance read as follows:
Exhibit "A".

Water Supply Agreement With City Of Joliet.

This Water Supply Agreement ("Agreement") is entered into and effective as of ___ __, 2023 ("Effective Date"), by and between the City of Chicago ("Chicago"), an Illinois municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State, and the City of Joliet ("Joliet"), an Illinois municipal corporation and home rule unit of government under Article VII, Section 6(a) of the Illinois Constitution. Together Chicago and Joliet shall be referred to as the "Parties", and at times, individually a "Party". This Agreement is authorized by an ordinance adopted by the Chicago City Council on ________, 2023, and by an ordinance adopted by Joliet City Council on ________, 2023.

RECITALS

WHEREAS, Chicago is the owner and operator of the Chicago Water System; and

WHEREAS, Joliet’s existing water source, the deep groundwater aquifer, will be depleted to the point of not being able to meet Joliet’s maximum day water demands by the year 2030; and

WHEREAS, Joliet conducted a comprehensive, multi-phase alternative water source study beginning in July 2018 which evaluated all possible water source alternatives including groundwater, rivers and Lake Michigan; and

WHEREAS, Joliet determined that purchasing water from the Chicago Department of Water Management will protect the public health, safety and welfare, and provide a sustainable, reliable, high-quality water supply for the City of Joliet that can be ready to deliver Lake Michigan water to the Joliet water system by the year 2030; and

WHEREAS, Joliet has received a State Water Allocation from IDNR as set forth in Exhibit A; and

WHEREAS, Chicago and Joliet desire to and are willing to enter into this Agreement pursuant to which Chicago will furnish a supply of water to Joliet in a sufficient quantity for the Joliet Water System to supply to the Joliet Customers; and

WHEREAS, the Parties executed a Preliminary Agreement with Respect to an Anticipated Water Supply Agreement on March 17, 2021; and

WHEREAS, in order for Chicago to supply Water to Joliet, the Parties desire to establish the New Water Supply Infrastructure; and

WHEREAS, the Parties anticipate the Chicago New Water Supply Infrastructure and the Joliet New Water Supply Infrastructure will be located within the Chicago corporate boundaries and the New Water Supply Infrastructure will be located both within and outside the Chicago corporate boundaries; and

WHEREAS, to allow construction of portions of the Chicago New Water Supply Infrastructure and the Joliet New Water Supply Infrastructure to enable Chicago’s delivery of Water to Joliet, the Parties and the Chicago Park District have reached agreement as to the necessary interests in land to be conveyed and the appropriate terms and conditions for conveyance of those interests; and

WHEREAS, the Parties anticipate a portion of the New Water Supply Infrastructure will be constructed on the Southwest Pumping Station Site; and
WHEREAS, the Parties anticipate a portion of the New Water Supply Infrastructure will be constructed on the Durkin Site located within Durkin Park; and

WHEREAS, Chicago intends to finance the Tunnel Connection to be constructed by Chicago pursuant to the terms of this Agreement, but paid for by Joliet; and

WHEREAS, Joliet intends to finance and pay for the Joliet New Water Supply Infrastructure to be constructed by Joliet pursuant to the terms of this Agreement; and

WHEREAS, Chicago intends to finance those portions of the Chicago New Water Supply Infrastructure to be constructed by Joliet through a coordinated arrangement for financing and construction, but will be paid for by Joliet; and

WHEREAS, the Parties have agreed to cooperate in a coordinated approach to the design, financing and construction of the required New Water Supply Infrastructure located within the Chicago corporate limits, which is the Chicago New Water Supply Infrastructure and the Joliet New Water Supply Infrastructure, and Joliet will design, finance and construct the remainder of the required New Water Supply Infrastructure located outside Chicago corporate limits, in order to enable Chicago to provide a supply of Water to Joliet by the Targeted Water Delivery Date, as provided in the terms of this Agreement; as well as to protect the Chicago Water System and maintain Chicago’s provision of Water supply to the Chicago Customers; and

WHEREAS, the Parties have agreed to cooperate in developing a coordinated approach to the operation and maintenance of the portions of the New Water Supply Infrastructure located within the Chicago corporate limits; and

WHEREAS, the Parties acknowledge that Chicago and Joliet agree to work together in a coordinated approach to meet the long-term water supply needs of Joliet and the surrounding southwest suburban region; and

WHEREAS, the Parties have agreed that the cost of Water to be charged by Chicago to Joliet will be based on the then generally recognized principles and practices in the American Water Works Association Manual of Water Supply Practices M1, Principles of Water Rates, Fees, and Charges; and

WHEREAS, the Chicago Water customers, both retail and wholesale, will benefit from Joliet’s utilization of a portion of the existing capacity in the Chicago Water System and the payments made by Joliet for the provision of Water from that existing capacity; and

WHEREAS, the Parties are committed to a transparent and collaborative long-term relationship for a supply of Water to Joliet and Chicago has agreed to assist Joliet in matters necessary and appropriate for implementation of this Agreement; and

WHEREAS, Chicago has established the Advisory Council as part of its commitment to deepening regional cooperation and collaboration, as such collaboration efforts are reflected in this Agreement and specifically in Section 24.2; and

WHEREAS, it is anticipated that Joliet and other municipalities in the State also needing to secure an alternative water supply will join collectively to form a Regional Water Commission in the future to which Joliet may assign this Agreement pursuant to the terms of this Agreement; and

WHEREAS, pursuant to Article VII, Section 6(a) of the Illinois Constitution of 1970, a home
rule unit of government may exercise any power and perform any function pertaining to its
government and affairs, including the power to regulate for the protection of the public health,
safety, morals, and welfare, and Chicago and Joliet are both home rule units; and

WHEREAS, each of the Parties hereby determines that Joliet's purchase of Water from
Chicago and Chicago's sale of Water to Joliet, including the Parties' negotiating and entering into
this Agreement is a function pertaining to each Party's government and affairs;

NOW THEREFORE, the Parties, in consideration of the premises and promises set forth in this
Agreement and other good and valuable consideration, the receipt and sufficiency of which is
hereby acknowledged, hereby agree as follows:

AGREEMENT

ARTICLE 1. INCORPORATION OF RECITALS

The recitals set forth above are incorporated in and made a part of this Agreement by this reference.

ARTICLE 2. RULES OF INTERPRETATION/CONSTRUCTION OF THIS AGREEMENT

2.1. References to Provisions and Exhibits. All references in this Agreement to an
Article, Section, Subsection, Paragraph, Subparagraph or Exhibit mean and refer to an Article,
Section, Subsection of, or Exhibit to, this Agreement, unless otherwise expressly provided.

2.2. Article and Section Headings; Other Headings. Article headings, Section headings
or other headings contained in this Agreement are for reference purposes only and shall not affect
in any way the meaning or interpretation of this Agreement.

2.3. Exhibits. All exhibits attached to this Agreement are incorporated into and made
a part of this Agreement by this reference.

2.4. Successor Statutes and Regulations; Renamed Sites and Facilities.

A. If substantive provisions of statutory or regulatory provisions referred to in this
Agreement are relocated to another reference, such as due to a recodification of laws, the Parties
intend that such references will mean and refer to the statutory or regulatory provisions at their
new locations.

B. If the name of a site or facility referred to in this Agreement is modified or changed,
the Parties intend that such references will mean and refer to the site or facility in its changed or
modified name.

2.5. Year. References to "year" mean and refer to a calendar year unless the context
specifically refers to a Water Year (as defined in Article 3).

2.6. Capitalized Terms. Capitalized terms in this Agreement will have the meanings
ascribed to them in Article 3, unless otherwise provided.

ARTICLE 3. DEFINITIONS

Certain capitalized terms in this Agreement shall have the meanings ascribed to them
below. Other capitalized terms not defined in the main body of this Agreement shall have the meanings ascribed to them in the Easements.

"68th Street/Dunne Crib Complex" means the Water intake crib complex consisting of the 68th Street Crib and the Edward F. Dunne Crib located in Lake Michigan, which provides intake of Water for the Eugene Sawyer Water Purification Plant and associated tunnels beneath Lake Michigan connecting the 68th Street Crib and the Edward F. Dunne Crib to the Eugene Sawyer Water Purification Plant.

"AC Governing Documents" means such by-laws, rules of procedure for meetings, and other documents and guidelines governing the work of the Advisory Council.

"AC Member" means (i) Chicago or (ii) a municipality or entity that is, or is under contract to become, a wholesale customer of Chicago as described in Section 24.2.

"Actual Average Day Demand" means the actual total volume of Water delivered to Joliet in a Rate Year divided by the number of days in that Rate Year expressed in units of flow rate (volume per time), and excludes Water delivered prior to Partial Delivery.

"Actual Maximum Day Demand" means the actual largest volume of Water in a single day in a Rate Year expressed in units of flow rate (volume per time), and excludes Water delivered prior to Partial Delivery.

"Actual Peak Hour Demand" means the actual largest volume of Water in a single hour in a Rate Year expressed in units of flow rate (volume per time), and excludes Water delivered prior to Partial Delivery.

"Actual Peaking Factor" means, with respect to Joliet, the Actual Maximum Day Demand or Actual Peak Hour Demand divided by the Actual Average Day Demand in a given Rate Year.

"Advisory Council" means that certain advisory council to Chicago established as described in Article 24.

"Allocation Amount" means, for Joliet and each Subsequent Purchaser, the volume of Water authorized by the IDNR in the State Water Allocation granted to Joliet and each Subsequent Purchaser in each Water Year and set forth in Exhibit A.

"Ancillaries" means (a) the Easements and (b) permits and other approvals issued by Chicago, which Easements, permits, and other approvals (y) pertain to this Agreement and the New Water Supply Infrastructure and (z) will be assigned by Joliet to the Regional Water Commission.

"Annual Reconciliation" means the process by which the Annual Reconciliation Amount is determined.

"Annual Reconciliation Amount" means the difference between the Capped Audited AWWA Rate for a given Rate Year and the Charged Water Rate for that Rate Year multiplied by the Annual Volume delivered to Joliet in that Rate Year.

"Annual Volume" means the total volume of Water delivered during a Rate Year.

"Audited Financials" means the Annual Comprehensive Financial Report of the City of
Chicago, including an independent auditor’s report on the financial statements.

"Average Day Demand" means the total volume of Water in a Rate Year divided by the number of days in that Rate Year expressed in units of flow rate (volume per time).

"Audited AWWA Rate" shall have the meaning given to such term in Subsection 17.5.B.i.b.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close or any day on which either Chicago or Joliet city government offices are closed.

"Capital Improvements" means improvements, repairs or replacements to the New Water Supply Infrastructure beyond Maintenance.

"Capped Audited AWWA Rate" shall have the meaning given to such term in Sections 17.3 and 17.4.

"Catastrophic Event" means any catastrophic event caused by Force Majeure impacting the Chicago Water System or the New Water Supply Infrastructure for which there is insufficient commercial insurance (not including any self-insurance, self-insurance retention or costs paid from Chicago funds) to cover any losses incurred.

"Certified Firm" means, generically, a Minority-Owned Business Enterprise or Woman-Owned Business Enterprise (as defined in Chapter 2-92 of the Chicago Municipal Code) certified as such pursuant to Chapter 2-92 of the Municipal Code of Chicago.

"CDWM" means the Chicago Department of Water Management.

"Certified Mail" means Registered Mail® or Certified Mail®, First-Class Mail®, return receipt requested, or any equivalent method providing proof of delivery that is offered by the U.S. Postal Service or its successor at the time of giving any notice pursuant to this Agreement.

"Change" or "Changes" means one or more alterations, modifications or amendments to a Construction Contract of a Project Element.

"Charged Water Rate" shall have the meaning given to such term in Sections 17.3 and 17.4.

"Chicago City Council" means the City Council of the City of Chicago.

"Chicago Customer" means any person or entity who purchases water from DWM.

"Chicago Indemnified Parties" means and includes with respect to Chicago, officials and officers, agents and employees of Chicago.

"Chicago Default" shall have the meaning given to such term in Section 20.14.

"Chicago New Water Supply Infrastructure" means the portion of the New Water Supply Infrastructure consisting of the Tunnel Connection, the Tunnel Extension, the Low Service Pump Station Site, and the Chicago Service Valve, as well as the property containing said infrastructure and any perimeter wall or fences within the Southwest Pumping Station Site to be constructed pursuant to this Agreement.
“Chicago Retail Customers” means retail Water customers of Chicago.

“Chicago Service Valve” means the valve installed downstream and outside of the Low Service Pump Station and upstream and outside of the Meter Vault for (a) connecting the Joliet New Water Supply Infrastructure to the Chicago New Water Supply Infrastructure; and (b) providing a means for separating the Joliet New Water Supply Infrastructure from the Chicago Water System.

“Chicago Water System” means the waterworks system owned and operated by Chicago.

“Chicago Wholesale Customers” means wholesale Water customers of Chicago.

“Chief Financial Officer” means the Chief Financial Officer of Chicago.

“City Manager” means the City Manager of Joliet.

“Claim” means any and all claims, including patent claims, demands, damages, lawsuits, legal proceedings, administrative proceedings, enforcement actions, losses, liens, liabilities, arbitration, judgments, settlement or compromise, orders or decrees, casualties, occurrences and payments, and all costs and expenses, including, without limitation, attorneys’ fees and court costs, and costs and expenses related to litigation (collectively, the “Claims”) relating thereto which may give rise to a right to indemnification under Article 25 of this Agreement.

“Commissioner” means the Commissioner of the Chicago Department of Water Management.

“Commission Customers” means the member municipalities that are wholesale customers of the Regional Water Commission and any other wholesale customers of the Regional Water Commission that are not member municipalities.

“Construction Administrator” means the off-site administrator who shall perform the administrative functions as described in Exhibit B.

“Construction Contract” means all documents that are included in or part of the construction contract between a Party and the contractor for construction of a Project Element, as per the specifications approved by Chicago and may include the contract agreement, general conditions of contract, special conditions of contract, plans/drawings, specifications, addenda, notice to proceed, change orders, and performance and payment bonds.

“Construction-Related Engineering Services” means services of the Resident Engineer Observer and the Construction Administrator to be provided in relation to one or more of the Project Elements, as described in Section 8.10 and Exhibit B.

“Contractor” means any contractor with whom Joliet or Chicago contracts to perform work or supply materials or labor in relation to the Project Elements to be constructed by Joliet or Chicago, respectively.

“Contractual Maximum Day Demand” means, for any day in each Water Year, an amount equal to the lesser of the Then-Current LSPS Capacity or the sum of the Allocation Amounts multiplied by two, as set forth in Exhibit A.
"Conveyed Water Infrastructure" means the Chicago New Water Supply Infrastructure (Tunnel Extension, Low Service Pump Station and Chicago Service Valve) conveyed from Joliet to Chicago upon completion of construction pursuant to Section 8.13.

"Cost of Service Study" means an analysis prepared to determine the Chicago Water System's cost of providing Water to the Chicago Customers for a specific year, and which includes the cost of providing Water to each of the Chicago Wholesale Customers.

"CPD" means the Chicago Park District.

"CPD Lease" means that certain Lease between Chicago and the Chicago Park District dated ________, 20__, regarding land in Durkin Park that is owned by Chicago.

"CPI-W" means Consumer Price Index—Urban Wage Earners and Clerical Workers ("Chicago All Items"), as published by the U.S. Department of Labor, Bureau of Labor Statistics, (1982-1984=100). As of the Effective Date, this index was identified with Series ID CWURS23ASA0.

"Default for Failure to Pay" shall have the meaning given to such term in Section 20.3.

"Defending Party" means the party which is undertaking and controlling the defense of any Third Party Claim.

"Demand Event" means a change in Joliet's Average Day Demand, Maximum Day Demand, or Peak Hour Demand between the demand estimated for the calculation of the Projected AWWA Rate for a Rate Year and the actual demand used to calculate the Audited AWWA Rate for that Rate Year which the change in demand, controlled for other changes, causes the Audited AWWA Rate to be higher than the Projected AWWA Rate.

"Design and Construction Period" means the period of time beginning as of the date of this Agreement, until the New Water Supply Infrastructure Completion Date.

"Design Intent" means the mutually agreed-upon provisions of the Construction Contract which establish the intended functionality, operations, or costs of the Project Element as initially designed and constructed, as mutually agreed upon by the Parties, and as amended as described in Sections 8.11, and 15.6.

"Director of Public Utilities" means the Director of Public Utilities of Joliet.

"Durkin Temporary Construction Easement Area" means that certain designated land area the temporary use of which CPD grants to Joliet pursuant to the Durkin Temporary Construction Area Access permit.

"Durkin Park" means a public park located at 8445 South Kolin Avenue, Chicago, Illinois 60652, a portion of which is owned by CPD.

"Durkin Site" means a portion of the real property located within Durkin Park and identified as provided in the Durkin Site Easement.

"Durkin Site Easement" means that certain Easement Agreement for Durkin Park dated ________, _______ from Chicago to Joliet.
"DWM" means the Chicago Department of Water Management.

"Easements" means collectively the Durkin Temporary Construction Area Access Permit, the Southwest Pumping Station Site Easement, the Southwest Pumping Station Temporary Construction Easement, and the Durkin Site Easement.

"Effective Date" means the date identified in the first paragraph of this Agreement as the date as of which this Agreement has been entered into and is effective.

"Emergency Demand Event" means a curtailment event initiated by Chicago which results in Joliet's Actual Maximum Day Demand or Peak Hour Demand being higher than that which would have otherwise been observed for that Rate Year. For curtailment events initiated by Joliet or flushing required for the water source transfer, Chicago agrees, if requested by Joliet, to assess a surcharge for Water utilized by Joliet for these events in lieu of a higher demand being incorporated into the actual Units of Service for the Rate Year. For planned curtailment initiated by Chicago, Joliet will make reasonable efforts to increase storage in the system in preparation for the curtailment assuming notice is provided per Section 11.9.

"Emergency Interconnection" means a point of connection for the purpose of providing, for a limited period of time, emergency water service between the Joliet Water System and another entity's water system.

"Emergency Purchaser" means a purchaser of Water directly or indirectly from Joliet on a wholesale but emergency-only basis.

"Eminent Domain Act" means the Illinois Eminent Domain Act, 735 ILCS 30 et seq.

"Eminent Domain Action" means an action or lawsuit filed pursuant to the Eminent Domain Act with respect to any real property located within the Chicago corporate boundaries.

"Escrow Account" shall have the meaning given to such term in Section 20.7.

"Escrow Agent" means a bank or trust company organized under the laws of the State or a national banking institution doing business and having an office in Chicago, chosen by Chicago to manage the Escrow Account, as provided in Section 20.7.

"Escrow Agreement" means an agreement by and among Chicago, Joliet, and the Escrow Agent, as provided in Section 20.7.

"Eugene Sawyer Water Purification Plant" means the Eugene Sawyer Water Purification Plant of Chicago located in Chicago, Illinois 60649, and provides finished Water to the South Tunnel Zone.

"Event of Default" means a Chicago Default or a Joliet Default.

"Fixed Limit Water Rate" shall have the meaning given to such term in Section 17.4.

"Force Majeure" shall have the meaning given to such term in Section 26.1.

"Full Delivery" means continuous and ongoing delivery of Water to Joliet for the Joliet Customers in amounts sufficient to meet the requirements of Joliet and all Subsequent Purchasers included on Exhibit A from time to time.
“Governmental Authority” means any court, federal, state, local or foreign government, department, commission, board, bureau, agency or other regulatory, administrative, governmental, or quasi-governmental authority.

“Guaranteed Maximum Capacity” means the capacity of the Chicago Water System to provide Water to Joliet, as measured by the capacity of the connection point between the Tunnel Connection and the Tunnel Extension; as of the Effective Date and until otherwise increased by Chicago, this capacity is one hundred and five (105) MGD; provided that such amount may be increased pursuant to Section 11.8.

“High Service Pump Station” means the high service pumping station and all related appurtenances including, but not limited to the generator(s) that serve said High Service Pump Station, located or to be located on the Southwest Pumping Station Site, and which pumps Water from the Suction Well through the Transmission Main towards Joliet.

“Hydrant Water” means a temporary supply of Water provided by Chicago from a Chicago hydrant pursuant to a permit issued by Chicago.

“IDNR” means the Illinois Department of Natural Resources, or any successor agency responsible for approving allocations of Lake Michigan water under the Great Lakes Compact.

“IEPA Permitted Capacity” means the rated capacity of a pumping station as provided on a permit issued by the IEPA.

“IEPA” means the Environmental Protection Agency of the State, or any relevant successor State agency.

“IGA” means that certain Intergovernmental Agreement dated July 30, 2021 between Chicago and CPD, as amended from time to time.

“Indemnified Party” means any Party entitled to indemnification under this Agreement.

“Indemnifier” means any Party obligated to provide indemnification under this Agreement.

“Inflation Index Water Rate” shall have the meaning given to such term in Section 17.4.

“Initial Full Delivery” means the first Full Delivery of Water occurring on or after the Targeted Water Delivery Date.

“Initial Rate Period” means the period from the date of the first delivery of Initial Water for Testing until the date of the first Partial Delivery.

“Initial Supplemental Amount” means the amount described in Subsection 7.6.D(vii).

“Initial Term” means the period of years described in Section 4.1.

“Initial Water for Testing” means an intermittent and periodic supply of Water sufficient for Joliet’s use for the purpose of construction of the New Water Supply Infrastructure and/or initial testing of all or any portion of the New Water Supply Infrastructure prior to Partial Delivery.
"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations thereunder, as amended.

"Joliet City Council" means the City Council of the City of Joliet.

Joliet Customers" means, collectively, Joliet Retail Customers, Joliet Retail Outside Customers, the Purchasers and, with respect to Water used by Joliet in its municipal facilities and not sold to other parties, Joliet.

"Joliet Default" shall have the meaning given to such term in Section 20.1.

"Joliet Indemnified Parties" means and includes with respect to Joliet, officials and officers, agents and employees of Joliet.

"Joliet New Water Supply Infrastructure" means the portion of the New Water Supply Infrastructure consisting of the Meter Vault, Suction Well, High Service Pump Station and Transmission Main-Chicago.

"Joliet Retail Customers" means retail Water customers of Joliet located within the corporate limits of Joliet.

"Joliet Retail Outside Customers" means retail Water customers of Joliet located outside the corporate limits of Joliet.

"Joliet Water System" means the waterworks system owned and operated by Joliet.

"Late Penalty" or "Late Penalties" means one or more monthly penalties imposed by Chicago as provided in Sections 19.5 and 20.7 of this Agreement.

"Law" means any order, writ, injunction, decree, judgment, law, ordinance, decision, principle of common law, opinion, ruling, policy, statute, code, rule, or regulation of any Governmental Authority.

"Level of Lake Michigan Act" means the Level of Lake Michigan Act, 615 ILCS 50/1 et seq., as from time to time supplemented and amended, and any successor statute, as well as any regulations promulgated thereunder.

"Loss" means with respect to any Person, any Claims, suit, liability, judgment, cost and expense, charge loss, liability, injury, death, damage, including but not limited to property damage, penalty, or out-of-pocket and documented costs or expenses actually suffered or incurred by such Person, but provided that the Indemnifier is not in default under Article 25 of this Agreement, excluding any punitive, special, indirect and consequential damages and any contingent liability until such liability becomes actual, and as subject to Sections 25.7 and 25.8 of this Agreement.

"Low Service Pump Station" means that certain low service pumping station and all related appurtenances including, but not limited to the generator(s) that serve said Low Service Pump Station, to be located on the Southwest Pumping Station Site.

"Maintenance" means and includes, without limitation, actions to maintain, repair, modify or replace portions of the New Water Supply Infrastructure as necessary for the delivery and receiving of Water.
"Management Agreement" means an agreement between the Regional Water Commission and City of Joliet, to establish terms for management of the implementation of the Regional Water Commission's water supply system.

"Maximum Day Demand" means the largest volume of Water in a single day in a given Rate Year expressed in units of flow rate (volume per time).

"Measuring Devices" means equipment used to measure and record the quantity of Water furnished to Joliet at the Point of Measurement.

"Meter Vault" means a vault located on the Southwest Pumping Station Site outside of and downstream of the Low Service Pump Station and outside of and upstream of the Suction Well and containing the Measuring Devices.

"MGD" means million gallons per day.


"New Delivery" means a daily amount of Water delivered by Chicago to Joliet for each new Subsequent Purchaser, which delivery is in addition to a previous Full Delivery, as further described in Sections 11.4.D, 11.4.E and 11.5.C.

"New Water Supply Infrastructure" means new Chicago-to-Joliet water supply infrastructure and all related appurtenances thereof, for Chicago to supply Water to Joliet, and shall include infrastructure located both within and outside the corporate limits of Chicago. New Water Supply Infrastructure includes, but is not limited to, the Chicago New Water Supply Infrastructure, the Joliet New Water Supply Infrastructure, and the Project Elements.

"Notice" means any notice or other communications required by this Agreement

"Observer" means the Project On-Site Representative who shall observe the work, attend construction meetings, provide comments to the Resident Engineer relating to the applicable Project Element the functions as described in Exhibit B and Subsection 8.10.B.

"Ongoing Water for Testing" means an intermittent and periodic supply of Water sufficient for Joliet's use for the purpose of ongoing construction of the New Water Supply Infrastructure and/or testing of all or any portion of the New Water Supply Infrastructure after the commencement of Partial Delivery.

"Partial Delivery" means a continuous and ongoing delivery of a daily amount of Water (other than Initial Water for Testing) by Chicago to Joliet as provided in Section 11.4.B which (a) is less than, or may be equal to, a Full Delivery of Water, and (b) is sufficient to serve all or a portion of the demand of Joliet and one or more Subsequent Purchasers.

"Payable Supplemental Amount" means the amount described in Subsection 7.6.D.vii of this Agreement.

"Peak Hour Demand" means the largest volume of Water in a single hour in a given Rate
Year expressed in units of flow rate (volume per time).

"Permanent Emergency Interconnection" means an Emergency Interconnection through a permanent water main at a permanent, fixed location and controlled by a valve or other physical method of control of the flow of water.

"Person" means any individual (including, the heirs, beneficiaries, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association or other entity, a municipality, a governmental unit, a governmental agency or other governmental entity.

"Point of Demarcation" means the location of the Chicago Service Valve, unless otherwise mutually agreed by the Parties.

"Point of Measurement" means the Meter Vault or such other point(s) as the Parties may agree to in writing.

"Project Element" means any of the following: the Tunnel Connection, the Tunnel Extension, the Low Service Pump Station, the Chicago Service Valve, the Meter Vault, the Suction Well, the High Service Pump Station and the Transmission Main-Chicago.

"Project On-Site Representative" means a project on-site representative appointed by Chicago and Joliet respectively who shall serve as the applicable Party's representative on both the Durkin Site and the Southwest Pumping Station Site during the Design and Construction Period to coordinate and monitor construction of the New Water Supply Infrastructure.

"Projected AWWA Rate" means the rate for the next year based on the most recently completed Cost of Service Study as well as projected costs and expenses to provide Water to Joliet and the projected Units of Service required for the next year.

"Projected Average Day Demand" means an estimate of the Average Day Demand for one or more future years.

"Projected Maximum Day Demand" means an estimate of the Maximum Day Demand for one or more future years.

"Purchasers" means collectively the Subsequent Purchasers and the Emergency Purchasers.

"PRWCA" means that certain "Preliminary Agreement Regarding Formation of a Regional Water Commission" dated February 22, 2022, by and among the Village of Channahon, the City of Crest Hill, the City of Joliet, the Village of Minooka, the Village of Romeoville, and the Village of Shorewood, as amended.

"Qualifying Event" means (i) any Catastrophic Event or (ii) any Regulatory Change, for which Chicago has provided notice to Joliet and in such notice provided data and information to Joliet to demonstrate the direct, specific costs Chicago has incurred or will incur in connection with the Catastrophic Event or Regulatory Change in order to provide Water to Joliet.

"RWC Act" means Regional Water Commissions Act, 65 ILCS 5/11-135.5-1 et seq.

"Rate Year" means a period of one year ending on December 31, which is coincident with
the calendar year and fiscal year for Chicago as of the Effective Date.

"Regional Water Commission" means, if established, the Grand Prairie Water Commission, a regional water commission that would be a separate unit of government created under Illinois Municipal Code (65 ILCS 5/11-135.5) by Joliet and other municipalities in the southwest suburban region of the State.

"Renewal Term" means the period of years described in Section 22.2.

"Regular Rate Period" means the rate period commencing on the day after the end of the Second Rate Period.

"Regulatory Change" means any material change in Law governing the (i) operation of the Chicago Water System and New Water Supply Infrastructure or (ii) the production and quality of Water provided to Joliet, however, "Regulatory Change" shall not include Laws that require additional Water treatment where the operational requirement could be met with advanced water treatment technology consisting of ozonation and biologically active granular activated carbon (GAC) filters.

"Regulatory Requirements" means applicable standards or requirements of any federal or State agency with jurisdiction over public water supplies.

"Reopening" means the process of negotiations regarding the terms of this Agreement as described in Section 5.2.

"Resale Period" means seventeen (17) years from the date of sale by Joliet to Chicago of any portion of the Joliet New Infrastructure pursuant to Section 7.6 and subject to Subsection 7.6.D of this Agreement.

"Resident Engineer" means the On-Site Representative of the Party holding the Construction Contract who shall perform full-time inspection of the installation of a Project Element to determine conformance with the Construction Contract and handle all communications with the contractor, and perform additional functions as described in Exhibit B.

"Revenues" means the revenues derived from the operation of a water system, as defined in the Illinois Municipal Code and applicable to each Party.

"RWC Assignment" means that certain "Assignment of Water Supply Agreement City of Chicago and City of Joliet" by and among Chicago, Joliet and the Regional Water Commission which includes the amended and restated Water Supply Agreement, as further described in Section 22.2.

"RWC Assignment Notice" means the notice of the RWC Assignment to be given by Joliet to Chicago as described in Section 22.2.

"RWC IGA" means an intergovernmental agreement adopted by the members of the Regional Water Commission providing for the acquisition and operation jointly of a waterworks system and providing for a common source of water supply from Lake Michigan.

"RWC Resolution" means a resolution or resolutions of the Board of the Regional Water Commission.
"Second Rate Period" means the period from the date of the first Partial Delivery until the first December 31 occurring after the date of Initial Full Delivery.

"Sewer Rate" means the number of dollars and whole cents charged to Joliet by Chicago per 1,000 gallons of wastewater discharged into the Chicago sewer system as provided in Article 18.

"South Tunnel Zone" means the subterranean tunnels below the land under Chicago which convey Water from the Eugene Sawyer Water Purification Plant and transmit Water to several pumping stations including the Southwest Pumping Station.

"Southwest Pumping Station" means Chicago's Southwest Pumping Station, located in Chicago, Illinois 60652.

"Southwest Pumping Station Site" means the real property upon which the Southwest Pumping Station is located, a plat of survey, PIN and legal description of which is as set forth in the Southwest Pumping Station Site Easement.

"Southwest Pumping Station Site Easement" means that certain Easement Agreement For Two (2) Permanent Easement and Seven (76) Temporary Easements At the City of Chicago Southwest Pumping Station Property dated as of _________, __ Chicago and Joliet.

"Southwest Pumping Station Temporary Construction Easement" means that certain temporary construction easement area, right of entry and access and use rights for Joliet to the Southwest Pumping Station Temporary Construction Area.

"Southwest Pumping Station Temporary Construction Area" means that certain designated area of the Southwest Pumping Station to be used by Joliet during the construction of the Joliet New Water Supply Infrastructure and related appurtenances on the Southwest Pumping Station Site pursuant to the Southwest Pumping Station Temporary Construction Easement.

"State" means the State of Illinois.

"State Water Allocation" means an allocation of Lake Michigan water granted by IDNR pursuant to the Level of Lake Michigan Act.

"Subcontractor" means any subcontractor of any tier, supplier or materialman directly or indirectly employed pursuant to a subcontract with a Contractor to perform work or supply materials or labor in relation to the Project Elements to be constructed by Joliet or Chicago.

"Subsequent Purchaser" means a purchaser of Water from Joliet on a wholesale basis, directly or indirectly, which purchaser is located outside of Joliet's corporate limits and is listed on Exhibit A. Purchasers of Water from Joliet on a wholesale but emergency basis shall not be considered Subsequent Purchasers.

"Suction Well" means that certain suction well to be installed as an underground reservoir on the Durkin Site and including all underground and above-ground structures, piping, and appurtenances necessary for the operation and maintenance of said Suction Well.

"Targeted Water Delivery Date" means January 1, 2030.

"Temporary Emergency Interconnection" means an Emergency Interconnection through
facilities at a location to be identified and used on an interim basis.

"Term" means the Initial Term and any Renewal Terms.

"Termination" means a termination authorized pursuant to the terms of this Agreement.

"Termination Date" means the date of Termination of this Agreement pursuant to the terms of this Agreement.

"Then-Current LSPS Capacity" means the amount of Water that the Chicago Water System can provide to Joliet based on the IEPA Permitted Capacity of the Low Service Pump Station at a particular point in time.

"Third Party Claim" means any Claim asserted against a Chicago Indemnified Party or Joliet Indemnified Party, as applicable, by any Person who is not a Party or an affiliate of such a Party.

"Transmission Main" means that certain water main and related appurtenances which is part of a complete system running from the Southwest Pumping Station Site to Joliet for the transmission of Water from Chicago to Joliet.

"Transmission Main-Chicago" means that certain portion of the Transmission Main and related appurtenances located within the corporate limits of Chicago corporate boundaries.

"Tunnel Connection" means that certain tunnel connection and related appurtenances located at the Southwest Pumping Station Site including a below-ground shaft, gates, for connecting the Tunnel Extension to the existing tunnel system of the Chicago Water System.

"Tunnel Extension" means that certain tunnel extension and related appurtenances located at the Southwest Pumping Station Site between the Tunnel Connection extending to and serving as the suction well for the Low Service Pump Station and including all below-ground shafts, gates, for the construction and operation of said tunnel extension.

"Units of Service" means Annual Volume or Average Day Demand, Maximum Day Demand, Peak Hour Demand, and units of service for customer costs using an approach consistent with the M1 Manual.

"Water" means Lake Michigan water.

"Water Rate" means the number of dollars and whole cents charged to Joliet by Chicago per 1,000 gallons of Water provided to Joliet.

"Water Source Transfer Plan" means a plan prepared by Joliet to enable the transition by Joliet from well water to Water within Joliet's Water System in a manner complying with the requirements of the IEPA.

"Water System" means the Chicago Water System or the Joliet Water System, as indicated by the context.

"Water Year" shall mean a period of one year ending on September 30.
"Working Group" or "Working Groups" means one or more groups established by the Advisory Council pursuant to Section 24.2

ARTICLE 4. TERM; RENEWAL

4.1. **Initial Term.** This Agreement shall be in force and effect for a period that shall begin on the Effective Date and end on December 31 of the year that is 100 years after the Effective Date, unless a shorter term is required by Law or a shorter term is mutually agreed by the Parties under this Agreement, or as otherwise provided in Article 6 of this Agreement.

4.2. **Renewal Terms.** Chicago and Joliet agree that this Agreement will automatically renew for successive 10-year terms to the extent permitted by Law, unless (A) either Party provides to the other Party a notice of its intent not to renew this Agreement pursuant to Section 4.3 below, or (B) a longer or shorter period for any Renewal Term is mutually agreed by the Parties. Each such period is a Renewal Term. The Initial Term and any Renewal Terms are collectively referred to as the Term of this Agreement. Notwithstanding the provisions in this Article 4, the Parties do not intend this Agreement to be a perpetual contract under the Law.

4.3. **Non-Renewal.** Chicago and Joliet shall each provide notice to the other Party of its intent not to renew this Agreement for any Renewal Term not later than January 1 of the fifth calendar year before the end of the Initial Term or of any Renewal Term, as applicable. The notice shall state the date on which the notifying Party intends that this Agreement will terminate and shall be given via Certified Mail, and, if desired by the Parties, may also be given by electronic communications, such as email.

ARTICLE 5. AMENDMENTS DURING THE TERM

5.1. **Amendment in Writing.** Upon agreement of both Parties, provisions of this Agreement may be modified or amended during its Term. No amendment or modification of this Agreement shall be effective unless made in writing and approved and executed by both Parties.

5.2. **Reopening of Agreement.** Beginning [_______, 2073], Joliet shall have the right to reopen this Agreement by providing notice to Chicago of its intent to commence negotiations regarding the terms of this Agreement.

A. **Notice.** Notice that Joliet is exercising its right to reopen this Agreement shall include the proposed subject matter of the amendment or amendments to, and the potentially affected provisions of, this Agreement. The notice shall be given via Certified Mail, and, if desired by the Parties, may also be given by electronic communications, such as email.

B. **Negotiations Upon Reopening.** If Joliet exercises its right to reopen this Agreement, Joliet and Chicago shall promptly commence negotiations towards determination of the proposed amendment or amendments, including holding a meeting of the Parties not more than thirty (30) days after Chicago's receipt of notice from Joliet. The Parties agree to negotiate in good faith and to promptly conduct the negotiations, including attending and participating in meetings and responding to proposals from the other Party until resolution is reached. Such negotiations shall be limited to consideration of the subject matter of the amendment or amendments to this Agreement proposed in the notice submitted by Joliet. However, Chicago may propose consideration of other amendments it believes are directly related to the impact of Joliet's amendments on other portions of this Agreement. If Joliet agrees with Chicago that Chicago's proposed amendments are directly related, then, to that extent, Joliet will agree to include in the negotiations Chicago's proposed amendments. Negotiations pursuant to this
Section 5.2 may result in an agreement that no change should be made in this Agreement.

5.3. Amendments to Attachments A and B and Exhibit A. The Parties agree that during the Term, Attachments A and B, and Exhibit A shall be updated from time to time upon pursuant to the provisions of this Agreement.

ARTICLE 6. TERMINATION

6.1. Early Termination by Joliet. Prior to the first to occur of the first Partial Delivery of Water or January 1, 2032, unless otherwise mutually extended, Joliet may terminate this Agreement by giving 30 days’ notice to Chicago if, following Joliet’s good faith efforts, Joliet reasonably determines that:

A. not all of the real estate necessary to receive the first Partial Delivery of Water pursuant to this Agreement (including, but not limited to, construction of the New Water Supply Infrastructure) can be obtained on mutually acceptable terms with owners of, or other persons with an interest in, the real estate, or

B. if Joliet cannot procure sufficient financing as described in Article 9.

The notice shall state the reason for the early termination and describe the basis for Joliet’s determination that it cannot obtain the real estate or financing described above, as applicable, and shall state the date on which Joliet intends the termination will be effective. Joliet may not terminate this Agreement for the reasons provided in this Section 6.1 after the earlier of the date of the first Partial Delivery by Chicago to Joliet or January 1, 2032.

6.2. Early Termination – Payment of Chicago Costs. In the event that Joliet terminates this Agreement pursuant to and within the time specified in Section 6.1, or Chicago terminates this agreement pursuant to and within the time specified in Section 6.4, Joliet shall reimburse Chicago for the categories of out-of-pocket costs itemized in Subsections A through G of this Section 6.2 and unanticipated costs as provided in Subsection G of this Section 6.2 that are reasonably incurred by Chicago in connection with the design and construction of the New Water Supply Infrastructure in Chicago (which shall not include the cost of internal Chicago personnel) during the period between (and including) March 17, 2021 and the date of such early termination by Joliet. With respect to costs incurred by Chicago during the period from Chicago’s receipt of such termination notice through the date of termination, Joliet will reimburse Chicago only for those costs necessary in connection with the termination of this Agreement and fulfilling the obligations of the Agreement up until the termination.

A. costs for professional services for design and field investigation and construction management on the Southwest Pumping Station Site in connection with the Tunnel Connection;

B. costs for professional services for coordination by Chicago with Joliet on the design and construction management of the rest of the Project Elements to be located on the Southwest Pumping Station Site and the Durkin Site;

C. costs in connection with any construction related to the Tunnel Connection, the Tunnel Extension, the Chicago Service Valve and the Low Service Pump Station and costs reasonably necessary to (1) bring ongoing construction of these Project Elements to a safe and orderly conclusion, (2) eliminate any safety hazards related to construction of these Project Elements, and (3) restore any infrastructure or the
real property on which the construction of these Project Elements is located to the condition the infrastructure or the real property was in, immediately prior to the start of the construction at the reasonable discretion of Chicago. Such costs shall include (i) any reasonable legal fees and expenditures incurred by outside counsel retained by Chicago (ii) disposition of Chicago New Water Supply Infrastructure and Joliet New Water Supply Infrastructure as discussed further in Article 7 and (iii) other reasonable fees and costs, such as engineering studies and reports, document recordation and appraisals, relating to termination of any easements or real property leases;

D. costs in connection with Chicago seeking or obtaining financing for the Tunnel Connection, Tunnel Extension, Low Service Pump Station, and Chicago Service Valve;

E. costs of debt service allocable under generally acceptable accounting standards to the financing for the Tunnel Connection, Tunnel Extension, Low Service Pump Station, and Chicago Service Valve and incurred by Chicago for the purposes described in Subsection C above, such as interest payments on a line of credit or other financing instruments, trustee fees and other administrative fees during the term of said financing. Upon early termination by Joliet, Chicago agrees that “costs of debt service allocable” will not include interest or fees on or related to funds borrowed by Chicago for the purposes described in Subsection C above but not used for those purposes;

F. costs for professional services reasonably related to the preparation and negotiation of Article 17 and the Cost of Service Study, as applicable to Joliet and other costs for professional services reasonably related to the preparation and negotiation of this Agreement. Costs referred to in this Subsection F are reimbursable by Joliet to Chicago so long as the services or the product of the services for which such costs were incurred are not useful to Chicago in connection with agreements with any other then-current or potential Chicago Wholesale Customers; and

G. costs (i) not otherwise itemized in this Section 6.2 and (ii) are or were unanticipated by Chicago and (iii) are reasonably related to this Agreement and its early termination by Joliet pursuant to Article 6. If Chicago believes it is incurring or will incur any such costs, Chicago shall notify Joliet of each type or category of costs and an estimate of the expected amount of costs in each type or category for a calendar year not later than March 31 of the following calendar year.

6.3. Joliet Early Termination Option After 50 Years. Chicago and Joliet agree that this Agreement may be terminated by Joliet, for any reason in its sole discretion, at any time during the Term so long as said termination occurs after the end of the first 50 years of the Initial Term. Joliet shall notify Chicago of Joliet’s intent to terminate this Agreement pursuant to this Section 6.3 not later than January 1 of the fifth calendar year before the date on which Joliet intends that this Agreement be terminated and specify the date of termination. The notice shall be given via Certified Mail and, if desired by the Parties, may also be given by electronic communications, such as facsimile or email.

6.4. Chicago Termination for Non-Completion Chicago may terminate this Agreement if (i) Joliet has entered into a contract to secure water on a non-emergency basis from an alternative water source other than Chicago, or, (ii) the first Partial Delivery has not occurred by December
31, 2048, or a later date as mutually agreed due to Joliet's failure to complete the construction of the New Water Supply Infrastructure (other than the Tunnel Connection) in the event of a termination by Chicago under this Section 6.4, Chicago is entitled to repayment of the costs incurred by Chicago and described in Section 6.2 and the remedy of disposition of any existing Joliet Water Supply Infrastructure pursuant to Section 7.

ARTICLE 7. DISPOSITION OF JOLIET NEW WATER SUPPLY INFRASTRUCTURE

7.1. Disposition of Joliet New Water Supply Infrastructure—In General. In the event of Termination or non-renewal of this Agreement, disposition of the Joliet New Water Supply Infrastructure shall be subject to the following provisions as well as Sections 7.5 and 7.6:

A. Disposition of those portions of the Joliet New Water Supply Infrastructure located on the Southwest Pumping Station Site, the Durkin Site or other real property owned by Chicago within the Chicago corporate boundaries (other than public right-of-way) shall be governed by Section 7.2;

B. Disposition of those portions of the Joliet New Water Supply Infrastructure located in the public right-of-way in Chicago shall be governed by Section 7.3; and

C. Disposition of those portions, if any, of the Joliet New Water Supply Infrastructure located on either real property owned by Joliet or property owned by a third party (other than Chicago Park District) upon which Joliet has legal rights to locate a portion of the Joliet New Water Supply Infrastructure within the Chicago corporate boundaries shall be governed by Section 7.4.

For the purposes of this Article 7, Joliet New Water Supply Infrastructure includes construction work in progress.

7.2. Southwest Pumping Station Site, Durkin Site and Other Chicago-Owned Real Property. In the event of Termination or non-renewal of this Agreement, Chicago shall have the right to determine, in its sole discretion, the disposition of those portions of the Joliet New Water Supply Infrastructure located on the Southwest Pumping Station Site, the Durkin Site or any other real property owned by Chicago within the Chicago corporate boundaries (other than public right-of-way):

A. Within sixty (60) days following delivery of notice of non-renewal pursuant to Section 4.3 or Termination pursuant to Article 6, Chicago and Joliet shall promptly meet and confer to discuss the disposition of such portions of such Joliet New Water Supply Infrastructure and shall continue to meet as necessary to address matters pertaining to such disposition and related procedures prior to the last day of the Term.

B. Not less than eighteen (18) months prior to the last day of the Term, Chicago shall notify Joliet as to whether each Project Element (or portion thereof) of such Joliet New Water Supply Infrastructure shall be:

i. abandoned in place;

ii. sold to Chicago or its designee;

iii. removed; or

iv. as mutually agreed by the Parties, disposed of in some other manner.
C. Notice by Chicago pursuant to Subsection B:

i. shall specify the methods of disposition, which may be the same or different for each Project Element (or portion thereof) of the Joliet New Water Supply Infrastructure located on the Southwest Pumping Station Site, the Durkin Site or other real property owned by Chicago within the Chicago corporate boundaries (other than public right-of-way); and

ii. shall specify the identity of the buyer(s), if known, and the applicable price(s) for those portions of the Joliet New Water Supply Infrastructure located on the Southwest Pumping Station Site, the Durkin Site or other real property owned by Chicago within the Chicago corporate boundaries (other than public right-of-way) to be sold to Chicago, or its designee. Any price to be specified by Chicago for a sale shall be subject to the requirements of Section 7.8.

7.3. Public Right-of-Way. In the event of Termination or non-renewal of this Agreement, Joliet shall have the right to determine, with respect to those portions of the Joliet New Water Supply Infrastructure located in the public right-of-way within the Chicago corporate boundaries, whether such portions thereof are to be abandoned in place except as provided in Subsection 7.3.C:

A. Within sixty (60) days following delivery of notice of non-renewal pursuant to Section 4.3 or Termination pursuant to Article 6, Chicago and Joliet shall meet and confer to discuss the potential abandonment in place of the Joliet New Water Supply Infrastructure and shall continue to meet as necessary to address matters pertaining to such abandonment and related procedures, and pertaining to any other disposition determined pursuant to this Section 7.3 and related procedures, by which such abandonment or disposition shall be effected.

B. Not less than eighteen (18) months prior to the last day of the Term, Joliet shall notify Chicago if Joliet is exercising its right to abandon in place some or all of those portions of such Joliet New Water Supply Infrastructure, identifying in the notice the locations of the public rights-of-way in which portions of the Joliet New Water Supply Infrastructure will be abandoned in place.

C. In the event that:

i. one or more Project Elements (or portions thereof) are to be sold to Chicago or a designee of Chicago pursuant to Section 8.2;

ii. the Project Elements (or portions thereof) will be used by Chicago or its designee to provide Water service to Chicago, another Chicago Customer or a potential Chicago Customer; and

iii. Chicago determines that it requires and will use one or more portions of the Joliet New Water Supply Infrastructure located in the public right-of-way within the Chicago corporate boundaries in order to provide Water service to Chicago, another Chicago Customer or a potential Chicago Customer;

then Chicago shall have the first right to purchase those portions identified in the notice described in the following sentence. If Chicago makes such a determination, it shall include notice of its determination within, or concurrent with, its notice to Joliet required pursuant to Subsection 7.2.C.
and shall specify which portions of Joliet New Water Supply Infrastructure located in the public right-of-way within the Chicago corporate boundaries are required by Chicago for the purposes described in paragraphs ii and iii of this Subsection 7.3.B. Any price for such a sale to Chicago shall be subject to the requirements of Section 7.6. Chicago's right to purchase such portions under this Subsection takes priority over Joliet's right to abandon in place those portions; however, if such a sale does not occur, then Joliet may exercise its right to abandon in place such portions of the Joliet New Water Supply Infrastructure within one hundred and eighty (180) days after notice is received from Chicago that Chicago will not purchase any such portions.

D. If Joliet does not provide notice to Chicago as described and within the time specified in Subsection 7.3.B, or the notice provided by Joliet to Chicago does not exercise Joliet's right to abandon in place all of the portions of the Joliet New Water Supply Infrastructure located in the public right-of-way within the Chicago corporate boundaries, then Chicago shall have the right to determine, in its sole discretion, whether all or any of such portions of the Joliet New Water Supply Infrastructure located in the public right-of-way within the Chicago corporate boundaries as to which Joliet has not exercised its right to abandon in place, shall be:

i. abandoned in place;

ii. sold to Chicago or its designee;

iii. removed; or

iv. as mutually agreed by the Parties, disposed of in some other manner.

E. In order to exercise its right under Subsection 7.3.D to those portions of the Joliet New Water Supply Infrastructure to which Subsection 7.3.D applies, Chicago shall provide notice to Joliet of its determination under Subsection 7.3.D, not more than six (6) months after Joliet's deadline under Subsection 7.3.B, which notice by Chicago:

i. shall specify the methods of disposition, which may be the same or different for each Project Element (or portion thereof) located in the public right-of-way in Chicago to which Subsection 7.3.D applies; and

ii. shall specify the identity of the buyer(s), if known, and the applicable price(s) for those portions of the Joliet New Water Supply Infrastructure to which Subsection 7.3.D applies to be sold to Chicago, or its designee. Any price to be specified by Chicago for a sale shall be subject to the requirements of Section 7.6.

7.4. Real Property and Real Property Rights Owned by Joliet within Chicago. In the event of Termination or non-renewal of this Agreement and any portion of the Joliet New Water Supply Infrastructure is located on real property either owned by Joliet or owned by a third party (other than the Chicago Park District) and Joliet holds an easement, lease, license or similar interest therein, all located within the Chicago corporate boundaries (and not located on property governed by Sections 7.2 and 7.3), then the following will apply.

A. If Chicago, another Chicago Customer, or a potential Chicago Customer intends to use all or any portion of such Joliet New Water Supply Infrastructure to provide Water service to Chicago, another Chicago Customer, or a potential Chicago Customer, then Chicago (for itself another Chicago Customer, or a potential Chicago Customer) shall have the right to acquire by purchase from Joliet:
i. the (a) Joliet New Water Supply Infrastructure located on real property owned by Joliet, if any, that is located within the Chicago corporate boundaries and (b) real property owned by Joliet on which that portion of the Joliet New Water Supply Infrastructure is located; and

ii. the (a) Joliet New Water Supply Infrastructure located on real property owned by a third party (other than the Chicago Park District) for which Joliet holds an easement, lease, license or similar interest (to the extent assignable) and located within the Chicago corporate boundaries (and not located on property governed by Sections 7.2 and 7.3) and (b) easement, lease, license or similar interest held by Joliet upon real property owned by a third party (other than the Chicago Park District) (to the extent assignable) on which that portion of the Joliet New Water Supply Infrastructure is located.

B. Within sixty (60) days following delivery of notice of non-renewal pursuant to Section 4.3 orTermination pursuant to Article 6, Chicago and Joliet shall promptly meet and confer to discuss the potential purchase by Chicago (for itself, another Chicago Customer or a potential Chicago Customer) from Joliet of such portions of the Joliet New Water Supply Infrastructure and Joliet’s real property or easement, lease, license or similar rights to use the real estate (to the extent assignable) on which such portions are located, and shall continue to meet as necessary to address matters pertaining to such purchase prior to the last day of the Term.

C. The price for a sale by Joliet to Chicago (for itself, another Chicago Customer, or a potential Chicago Customer) under this Section 7.4 shall be determined pursuant to the requirements of Section 7.6.

D. Not less than eighteen (18) months prior to the last day of the Term, Chicago shall notify Joliet whether Chicago (for itself, another Chicago Customer, or a potential Chicago Customer) desires to purchase the portions of the Joliet New Water Supply Infrastructure and related real property described in Subsection 7.3.A for the purpose described in Subsection 7.3.A, at the price determined pursuant to Subsection 7.3.C.

7.5. Schedule.

A. The disposition of the Joliet New Water Supply Infrastructure located in Durkin Park that requires the performance of construction activity or other physical work shall be completed by Joliet to the satisfaction of Chicago within five (5) years after the later to occur of (i) the last day of the Term or (ii) the last day on which Chicago delivers Water to Joliet through the Point of Demarcation (unless Chicago and Joliet agree to a later date). Any disruption of the use of Durkin Park for park purposes during disposition shall not exceed two (2) years within this five (5) year period.

B. The disposition of Joliet New Water Supply Infrastructure not located in Durkin Park that requires the performance of construction activity or other physical work pursuant to Sections 7.2 through 7.3 shall be completed by Joliet to the satisfaction of Chicago within five (5) years after the later to occur of (i) the last day of the Term or (ii) the last day on which Chicago delivers Water to Joliet through the Point of Demarcation (unless Chicago and Joliet agree to a later date). In addition, any disposition work in a portion of public right-of-way within Chicago corporate boundaries shall be completed in a timely manner so as to minimize disruption of the public’s use of that portion of the public right-of-way.

C. The purchase or transfer of any portion of the Joliet New Water Supply Infrastructure and related real property or real property interests, if any, pursuant to this Article 7
shall be completed within one (1) year after the later to occur of (i) the last day of the Term or (ii) the last day on which Chicago delivers Water to Joliet through the Point of Demarcation (unless Chicago and Joliet agree to a later date).

7.6. **Applicable Standards and Conditions.**

A. All disposition procedures with respect to the Joliet New Water Supply Infrastructure that requires the performance of construction activity or other physical work by Joliet shall be conducted by Joliet in accordance with applicable Laws. All dispositions involving modification to real property shall include the restoration of said real property to Chicago's specifications. In addition, the method and procedures used shall be reasonable and consistent with the then-current standard used by Chicago for similar facilities owned by Chicago. If Chicago has no then-current standard, then the disposition shall be consistent with then-current industry standards. If the disposition is of construction work in progress by Joliet on the Joliet New Water Supply Infrastructure, the disposition shall include (i) bringing any ongoing construction or modification of such Joliet New Water Supply Infrastructure being constructed or modified to a safe and orderly conclusion and (ii) eliminating safety hazards related to any ongoing construction or modification of said Joliet New Water Supply Infrastructure.

B. Joliet shall be responsible for obtaining, and ensuring that all contractors and subcontractors obtain, all applicable approvals, permits and authorizations necessary for disposition of the Joliet New Water Supply Infrastructure that requires the performance of work by Joliet from applicable local, State and federal agencies. Chicago will cooperate with Joliet and its contractors and subcontractors to enable Joliet to obtain, and will not unreasonably withhold, all Chicago approvals, permits and authorizations. Chicago will cooperate with Joliet and its contractors and subcontractors to enable Joliet to obtain all approvals, permits and authorizations necessary from other local, State and federal agencies with jurisdiction.

C. **Compensation for the sale of a Project Element (or portion thereof) shall be determined as follows:**

i. Except as otherwise provided in Subsection 7.6.D below, if the Project Element (or portion thereof) is to be sold to Chicago or a designee of Chicago and the Project Element will be used by Chicago or its designee to provide Water service to Chicago, another Chicago Customer or a potential Chicago Customer, then Joliet shall receive compensation for the sale of the portion of the Project Element, which will be determined by a valuation determined based on one or more appraisals performed by appraisers or other qualified professionals designated by one or both of the Parties, which appraisers or other qualified professionals shall have experience in valuation of the type of Project Element (or portion thereof) to be sold.

ii. If the Project Element (or portion thereof) is to be sold to Chicago or a designee of Chicago and the Project Element (or portion thereof) will be used by Chicago or its designee for uses other than to provide Water service to Chicago, a Chicago Customer, or a potential Chicago Customer, then Joliet shall receive compensation for the sale of the Project Element (or portion thereof) at a price specified by Chicago in its sole discretion.

iii. If the Project Element (or portion thereof) is to be sold to Chicago or a designee of Chicago pursuant to Section 7.4, then the value of the real property owned by Joliet or easement, lease, license or similar interest held by Joliet shall be determined based on one or more real estate appraisals performed by appraisers who have received
an MAI designation by the Appraisal Institute (or a similar certification) and are designated by one or both of the Parties.

D. Nothing in this Article 7 precludes Joliet from soliciting for and providing a proposal to Chicago that all or a portion of the Joliet New Water Supply Infrastructure be sold by Joliet to another then-current or potential Chicago Wholesale Customer at a price agreed upon between Joliet and Joliet’s proposed purchaser. In such an instance, the following will apply:

i. Joliet shall notify Chicago about the proposal and its terms not less than twenty-four (24) months prior to the last day of the Term.

ii. Chicago shall review and discuss the proposal with Joliet prior to determining, in Chicago’s sole discretion, whether to approve or reject the proposal presented by Joliet.

iii. Chicago shall notify Joliet of its acceptance or rejection of the proposal not less than eighteen (18) months prior to the last day of the Term.

iv. If Chicago rejects such proposal, disposition of that portion of the Joliet New Water Supply Infrastructure subject to the proposal shall be subject to the terms of Sections 7.2, 7.3 or 7.4, as applicable.

v. If the disposition method is sale to Chicago or its designee, the sale price shall be determined pursuant to Subsection 7.6.C above.

vi. After the sale of the portion of the Joliet New Water Supply Infrastructure to Chicago, if during the Resale Period:

   a. Chicago sells that portion of the Joliet New Water Supply Infrastructure identified in Joliet’s proposal to the purchaser identified in Joliet’s proposal; and

   b. the purchase price identified in Joliet’s proposal is greater than the amount paid by Chicago to Joliet pursuant to Subsection 7.6.C above,

then Chicago shall pay to Joliet an additional amount to be known as the “Payable Supplemental Amount”.

vii. The Initial Supplemental Amount shall be the amount of the purchase price identified in Joliet’s proposal minus the purchase price paid by Chicago to Joliet. The Payable Supplemental Amount shall be the amount due from Chicago to Joliet and shall be calculated as follows:

   a. During the first year of the Resale Period, the Payable Supplemental Amount shall be ninety-four and one-tenth percent (94.1%) of the Initial Supplemental Amount.

   b. During the last year of the Resale Period, the Payable Supplemental Amount shall be five and nine-tenths percent (5.9%) of the Initial Supplemental Amount.
c. During each of the other years of the Resale Period, the Payable Supplemental Amount shall be a percentage of the Initial Supplemental Amount, which shall decrease each year from the immediately preceding year by an amount equal to five and nine-tenths percent (5.9%).

viii. The Payable Supplemental Amount shall be paid to Joliet within sixty (60) days after the receipt of the sale proceeds by Chicago from the purchaser identified in Joliet's proposal.

ix. If the purchase price identified in Joliet's proposal is not greater than the amount paid by Chicago to Joliet pursuant to Subsection [8.6.C] above, no amount shall be payable by Chicago to Joliet. If Chicago shall sell to a purchaser not identified in Joliet's proposal, no Payable Supplemental Amount shall be payable by Chicago to Joliet.

E. If the disposition of any Project Element (or portion thereof) of the Joliet New Water Supply Infrastructure is by any method other than removal, Joliet will convey its right, title and interest in such Project Element (or portion thereof) to Chicago or its designee by bill of sale in a form acceptable to Chicago, or its designee, as well as any easement, lease, license, or similar right (to the extent it is assignable) required by Section 7.4 in a form acceptable to Chicago or its designee. Any conveyance involving abandonment in place will be promptly following completion of the abandonment in place by Joliet. All conveyances will be in "as is, where is" condition with no warranties or guarantees. Upon conveyance, Joliet will have no further responsibility or liability for the Project Element (or portion thereof) conveyed.

F. Joliet's performance of any removal or abandonment in place of any portion of the Joliet New Water Supply Infrastructure shall be performed in a manner that shall not result in any damage to:

i. the Chicago Water System in the vicinity of the removal or abandonment in place work being performed;

ii. water infrastructure not owned by Chicago but located within the Chicago corporate boundaries in the vicinity of the removal or abandonment in place work being performed; or

iii. any portion of the Joliet New Water Supply Infrastructure to be conveyed to Chicago or its designee pursuant to this Agreement.

iv. Include any environmental remediation of the Joliet New Water Supply Infrastructure known to Joliet at the time of conveyance or expected as a result of the abandonment in place or removal.

G. If the entire Project Element is to be disposed of by removal or abandonment in place, Joliet shall have the right to salvage portions of, and items within, that Project Element. If the Project Element (or portion thereof) will be repurposed for a use other than reuse as a water transmission or distribution facility, then Joliet will have the right to salvage portions of, and items within, that Project Element (or portion thereof) related to the provision of water service, subject to Chicago's approval, which shall not be unreasonably withheld.

H. The costs of all disposition procedures for the Joliet New Water Supply Infrastructure, including permits and filing fees (but not amounts for any purchases by Chicago or its designee), shall be paid by Joliet.
I. Insurance coverage requirements with respect to the disposition of the Joliet New Water Supply Infrastructure shall be as provided in Article 21 of this Agreement.

J. If the tax-exempt bonds, financing, or debt obligations of either Party for the construction of the New Water Supply Infrastructure remain outstanding at the Termination of this Agreement, either Party shall not cause the transfer or sale of any portion of the New Water Supply Infrastructure to any third party if such transfer or sale would cause tax-exempt bonds, financing, or debt obligations to lose their tax-exempt status under the Internal Revenue Code, unless mutually agreed to by both Parties.

7.7. Article 7 to Survive Termination. This Article 7 shall survive Termination of this Agreement.

ARTICLE 8. DESIGN AND CONSTRUCTION OF NEW WATER SUPPLY INFRASTRUCTURE

8.1. General: Scope. In order to enable Chicago to deliver and Joliet to receive Water from Chicago, certain New Water Supply Infrastructure will be required. Article 8 applies only to the initial design and construction of the New Water Supply Infrastructure and assigns responsibility for various roles in connection with the design and construction of various portions of the New Water Supply Infrastructure to each of the Parties.

8.2. New Water Supply Infrastructure in Chicago. The Parties shall coordinate in the design and construction of the following Project Elements of the New Water Supply Infrastructure that are located within the Chicago corporate boundaries:

A. The Chicago New Water Supply Infrastructure, which consists of the following:

i. Tunnel Connection;
ii. Tunnel Extension;
iii. Low Service Pump Station; and
iv. Chicago Service Valve.

B. Joliet New Water Supply Infrastructure, which consists of the following:

i. Meter Vault;
ii. Suction Well;
iii. High Service Pump Station; and
iv. Transmission Main-Chicago.

8.3. Design of, and Construction-Related Engineering Services for, the New Water Supply Infrastructure in Chicago. The Parties agree that the design review process in Section 8.6 will establish the mutually agreed-upon specifications and drawings which will be included in the Construction Contract and subject to Change as provided in Section 8.11. The specifications and drawings, and any approved Changes to them through the Change process pursuant to Section 8.11 during construction, will establish the Design Intent of the Project Element.
A. **By Chicago.** Chicago shall be responsible for and shall complete the design, permitting, procurement process, construction and Construction-Related Engineering Services for the following Project Element: Tunnel Connection.

B. **By Joliet.** Joliet shall be responsible for and shall complete the design, permitting, procurement process, construction and Construction-Related Engineering Services for the following Project Elements: Tunnel Extension, Low Service Pump Station, Chicago Service Valve, Meter Vault, Suction Well, High Service Pump Station, and Transmission Main-Chicago.

8.4. **Schedule and Milestones for Completion of New Water Supply Infrastructure in Chicago.**

A. **Overall Schedule and Milestones.** The Parties agree that they will, promptly after the Effective Date, establish a schedule of completion dates for design, construction and commissioning of the Parties' respective Project Element(s) and milestones, based on the need for the provision of Water by Chicago to Joliet by the Targeted Water Delivery ("Completion Schedule"). The Parties agree to collaborate on the phasing of the Project Elements to allow for Water to be provided to Joliet by the Targeted Water Delivery Date. Joliet recognizes that completion of the Tunnel Extension must occur in a sufficient timeframe to allow for construction of the Tunnel Connection. Chicago recognizes that completion of the Tunnel Connection construction must be completed in a timeframe to allow for Joliet's completion of the Joliet Project Elements. Joliet shall periodically notify Chicago of the status of construction of and the associated milestones for Project Elements other than the Tunnel Connection. Chicago shall periodically notify Joliet of the status of construction and associated milestones for the Tunnel Connection. The Parties agree to meet and confer on a periodic basis regarding progress toward completion of their respective Project Element(s). Each Party shall work in good faith and endeavor to meet the design, construction and commissioning milestone dates for each of the Project Elements for which said Party is responsible for designing, constructing, and providing under this Agreement. Milestones for each Project Element shall include, without limitation, conceptual design (10%), preliminary design (30%), final design (60%, 90%, 100%), bidding, contract award, construction (issuance of notice to proceed, substantial completion, final completion), start-up, commissioning and final acceptance.

B. **Notice of Delay of the Completion Schedule for the Chicago Project Elements or Joliet Project Elements.**

Joliet shall notify Chicago of any delay or anticipated delay in the completion of the Joliet Project Elements, and Chicago shall notify Joliet of any delay or anticipated delay in the completion of the Chicago Project Element. These notices shall include at least the following information:

i. the reason for the delay;

ii. the steps to be taken to resolve the delay;

iii. the anticipated new date for completion of the subject Party's Project Element completion date, as applicable;

iv. the impact on the Completion Schedule; And
v. the impact on the Parties’ ability to provide Water by the Targeted Water Delivery Date.

Upon receipt of such a notice by a Party from the other Party, the Parties shall promptly meet and work together in good faith to address the reasons for the delay, and identify proposed and potential steps that can be taken to resolve the delay, in order to allow completion of the affected Project Element as near in time as possible to the date for completion of the Chicago Project Element or any of the Joliet Project Elements, as applicable, and to enable the delivery and receiving of Water by the Targeted Water Delivery Date. The Parties will coordinate and work in good faith to not cause any unreasonable delays in the Completion Schedule.

8.5. Design Preferences and Roles of the Parties for New Water Supply Infrastructure in Chicago. Chicago and Joliet shall each be responsible for the planning and design of certain Project Elements, as described in Section 8.3 and agree that they will collaborate with each other in the design of both the Chicago New Water Supply Infrastructure and the Joliet New Water Supply Infrastructure. All Project Elements shall be constructed in compliance with Applicable Laws. The table in Exhibit C establishes the Party whose Design Preferences will govern for each Project Element, and the role of each Party in the planning and design of each Project Element.


A. Primary Key Representative. Each Party shall designate a primary key representative for the review process and to participate in the meetings under this Section 8.6. Either Party shall notify the other Party of any change in its primary key representative.

B. Meetings. The Parties agree to meet on a biweekly basis, at a minimum, during the planning and design phase for technical coordination, unless otherwise mutually agreed. The Parties agree to participate and have appropriate representation in attendance in order to facilitate coordination efforts.

C. Review Process, Timeframes and Milestones. To facilitate the review process, the Parties will comply, to the best of their ability with the review process, timeframes and milestones established in Exhibit D for review of design submittals for each of the Project Elements, subject to each Party receiving from the other Party the information necessary to complete its tasks in a timely manner.

8.7. Site Access During Design. During design of the Project Elements, access to the Southwest Pumping Station and Durkin Park Site will be required for field investigations. Access will be subject to the terms of any easement agreements or other agreements in place that apply to such access, and any additional permitting required for site access during design based on the type of field investigation being performed as well as the site on which it will be performed. Joliet and Chicago will work together to expedite site access permitting to prevent schedule delay.

A. For field investigations at the Southwest Pumping Station Site:

i. For field investigations that do not require excavation, such as surveying, notice of the proposed field investigations must be provided to Chicago at least forty-eight (48) hours in advance. Notice will include the names, driver’s license numbers and mobile phone numbers of individuals that will be onsite as well as the anticipated dates and times access is required. Chicago will coordinate access for those individuals including designating a CDWM representative to meet the individuals onsite.
i. For field investigations that require excavation, such as geotechnical borings, and an easement agreement is in place, the terms of the easement agreement will govern. If no easement agreement is in place, Joliet shall notify Chicago at least thirty (30) days in advance and a right of entry agreement will be developed between the Parties to detail the requirements for access.

B. For field investigations at the Durkin Park Site:

i. For field investigations that do not require excavation, such as surveying, notice of the proposed field investigations must be provided to Chicago and CPD at least forty-eight (48) hours in advance. Notice will include the names, driver's license numbers and mobile phone numbers of individuals that will be onsite as well as the anticipated dates and times access is required. CPD will coordinate access for those individuals which may include designating a CPD representative to meet the individuals onsite.

ii. For field investigations that require excavation, such as geotechnical borings, and an easement agreement is in place, the terms of the easement agreement will govern. If no easement agreement is in place, Joliet shall notify Chicago and CPD at least thirty (30) days in advance and a right of entry agreement will be developed between the Parties to detail the requirements for access.


A. Responsibility for Obtaining Permits and Approvals. Each Party responsible for the design and permitting of, and the procurement process, construction and Construction-Related Engineering Services for, a Project Element of the New Water Supply Infrastructure as provided in Section 8.3 shall obtain, and ensure that all of its contractors obtain, all applicable design and construction approvals, permits and authorizations necessary for such Party's respective components of the design and construction of each such Project Element from such local, State and federal agencies, including but not limited to the IEPA, as have jurisdiction over the real estate on which such Project Element is located and the work to be performed in connection with such Project Element. A table itemizing the Project Elements and the roles of each Party in connection with obtaining key permits from the IEPA and Chicago is included in Exhibit C. In order to facilitate obtaining necessary permits and approvals from Chicago, Chicago shall provide to Joliet a list of all permits and approvals necessary for each Project Element (other than the Tunnel Connection which list shall be updated from time to time).

B. Coordination. Chicago shall coordinate and collaborate with Joliet, and support and assist Joliet in its efforts, to obtain any approvals, permits and authorizations necessary for the construction and operation of the Project Elements (other than the Tunnel Connection) located within Chicago, and Joliet will coordinate and collaborate with Chicago in its efforts to obtain any approvals, permits and authorizations necessary for the construction and operation of the Tunnel Connection.

C. Chicago Fees. Chicago shall charge Joliet only the applicable standard fees under the Municipal Code of Chicago in connection with any permits, approvals and other items required to design, construct, maintain and repair the Project Elements for which Joliet is responsible under this Agreement.

8.9. Procurement, Bidding and Contracting. The bidding and contractor selection process, awarding of contracts and other procurement activities for each of the Project Elements
located on the Southwest Pumping Station Site or the Durkin Site shall be handled by the Party listed on Exhibit C for that Project Element. The Parties agree that Joliet may use the alternate delivery method known as "construction-manager-at-risk" ("CMAR") for some or all of the Project Elements primarily located on the Southwest Pumping Station Site or the Durkin Site for which Joliet is listed as the responsible Party.

A. Applicable Procurement and Bidding Requirements.

i. Joliet agrees that when it is contracting for any design or construction of the Project Elements and appurtenances located on the Southwest Pumping Station Site or the Durkin Site, Joliet shall conduct the bidding and contractor selection process including but not limited to the CMAR process and requirements for, and award of, those contracts pursuant to the laws applicable to Joliet and in compliance with the requirements of Articles III through and including IX of Chapter 2-92 of the Municipal Code of Chicago, including without limitation, the Chicago resident construction worker employment requirements under Section 2-92-330 et seq. of the Municipal Code of Chicago and the minority-owned ("MBE") and women-owned ("WBE") business enterprise procurement program under Section 2-92-420 et seq. of the Municipal Code of Chicago, including the minimum MBE participation goal of 26% and minimum WBE participation goal of 6% of the total contract value to the extent that the requirements do not conflict with any laws applicable to Joliet.

ii. Because the utilization of Certified Firms is essential to the economic vitality of Chicago, if (1) there is a shortfall of the contract participation goals stated in this subsection 8.9.A(ii) and (2) Joliet or its Contractor has not made a convincing showing that it made good faith efforts to correct the shortfall in connection with said goals, then Chicago will have been harmed in a manner difficult to quantify. Therefore, the Parties agree that in the event of such a shortfall, Chicago may impose an equitable remedy as provided in Section 2-92-740 of the Municipal Code of Chicago, provided however that Chicago may not impose any such sanction or remedy from both Joliet and its Contractor for the same violation. An equitable remedy paid to Chicago by Joliet or its Contractor under this Subsection 8.9.A(ii) will be placed into a fund to be utilized for support of Chicago's contracting equity and workforce development programs, and related uses.

iii. Furthermore, if there are significant or continuing shortfalls in participation of Certified Firms for the design and construction of a Project Element for which Joliet is responsible, Chicago may exercise a right of specific performance, an injunction, or any other appropriate equitable remedy, as may be applicable.

iv. Joliet will prepare documents in compliance with Chicago procurement requirements and goals for Project Elements and appurtenances located on the Southwest Pumping Station Site or the Durkin Site. Joliet agrees to comply and cause its general contractor and/or CMAR to comply with said requirements and goals and will require the general contractor and/or CMAR to require any and all subcontractors or subsidiary contractors to comply with these requirements and goals. In the event of a conflict between these requirements and goals and the requirements of any grant, loan or other financing being used by Joliet for the New Water Supply Infrastructure, the Parties agree to work in good faith to reach a resolution that will be consistent with Chicago's procurement goals while not jeopardizing Joliet's financing for the New Water Supply Infrastructure.

B. Compliance with Applicable Requirements. Joliet and DWM shall coordinate with respect to the requirements in Subsection 8.9.A of this Section 8.9 are complied with for
contracting for construction of the Project Elements located on the Southwest Pumping Station Site or the Durkin Site. Joliet shall provide Chicago with copies of Joliet’s forms of bidding and CMAR selection process documents for Chicago’s review and input.

C. Confidential Information. The Parties agree that all contracts and agreements entered into by each Party and their respective contractors for Project Elements primarily located on the Southwest Pumping Station Site or the Durkin Site shall include confidentiality provisions requiring them to protect confidential information of each Party. The confidentiality provisions shall be consistent with the terms of all confidentiality agreements in effect between Joliet and Chicago.


A. Responsibilities. The Parties shall perform the responsibilities for Construction-Related Engineering Services in connection with the Construction Contracts for the Project Elements as provided in this Section 8.10 and Exhibit B, unless otherwise mutually agreed by the Parties.

B. Project On-Site Representatives.

i. Chicago and Joliet shall each appoint an on-site representative (respectively, "Chicago Project On-Site Representative" and "Joliet Project On-Site Representative"), who will be a full-time, on-site observer of construction of the Project Elements. A Project On-Site Representative may be a consultant retained by Joliet or Chicago, as applicable. The Project On-Site Representative for the Party holding the Construction Contract for the Project Element shall act as the Resident Engineer for that contract and Project Element. The Project On-Site Representative for the Party not holding the Construction Contract for the Project Element shall act as the Observer for that contract and Project Element. All communication from the Observer shall be directed to the Resident Engineer and not to the contractor or any subcontractors or suppliers. All direction to the contractor for a Project Element shall be made by the Resident Engineer for that Construction Contract.

ii. The Observer shall observe the construction of the Project Elements, attend construction meetings, notify the Resident Engineer and the Commissioner about items of work with respect to the Joliet Project Elements the Observer believes does not conform with the specifications in the Construction Contract ("Project Element Work Anomalies"), perform periodic inspections of a Project Element, and perform additional functions as described in Exhibit B.

C. Off-Site Construction Administrator. The Party holding the Construction Contract for a Project Element shall appoint a Construction Administrator to provide administration services and manage administration of the Construction Contract for the construction of that Project Element. All communication to the contractor regarding administrative matters shall be made by the Construction Administrator.

D. Inspection.

i. General. The Resident Engineer and the Observer will be on-site on a full-time basis during construction of the various Project Elements and allowed to observe all aspects of the construction and attend construction meetings. The Observer may provide comments to the Resident Engineer about items of work that the Observer believes do not conform with the specifications in the Construction Contract, which should be promptly communicated and also provided in writing within two (2) Business Days, as practicable, following the date on which the Observer first observed the issue to which the comment
pertains. It is understood by the Parties that for matters not observed and communicated by the Observer within two (2) Business Days that are not in conformance with the Construction Contract will still be evaluated for resolution regardless of when they are identified. For matters observed that do not conform with the Construction Contract and are communicated to the Resident Engineer by the Observer but are not resolved, the Observer may notify both Parties that a stop work order is recommended and either the Director of Public Utilities or the Commissioner will review, discuss and issue the stop-work order if warranted for their respective Construction Contracts.

ii. Coordinated Inspections. Prior to the commencement of construction, the Parties will meet and mutually agree on particular components of the Project Element on which they will jointly conduct a coordinated inspection. These inspections may include additional personnel for each Party in addition to the Resident Engineer and the Observer, such as individuals with particular expertise regarding the component being inspected. All comments by the Party not holding the Construction Contract for the Project Element about items of work that the Party believes do not conform with the Construction Contract should be promptly communicated and also provided in writing through the Observer to the Resident Engineer within two (2) Business Days, as practicable, following the date on which the inspection was performed. The Parties may mutually agree to conduct additional coordinated inspections (which may be re-inspections) of particular components during the performance of the work.

iii. Final Inspections. When the contractor has reached substantial completion of a Project Element, the Parties will jointly conduct a coordinated inspection of the entire Project Element. These inspections may include additional personnel for each Party in addition to the Resident Engineer and the Observer, such as individuals with particular expertise regarding various components being inspected. All comments by the Party not holding the Construction Contract for the Project Element about items of work that the Observer believes do not conform with the Construction Contract should be promptly provided in writing through the Observer to the Resident Engineer within ten (10) Business Days, as practicable, following the date on which the inspection was performed. The Parties will conduct additional coordinated inspections as necessary until the Project Element is ready for final acceptance.

iv. Comment Resolution. The Resident Engineer shall be responsible to resolve all written comments received from the Observer. The Resident Engineer will promptly meet with the Observer and review the Observer's written comments. If the comment cannot be easily resolved in the field, or if there is not mutual agreement on its resolution, the comment will be discussed by the Commissioner and the Director of Public Utilities. If a matter is not resolved with a Change in the Construction Contract per Section 8.11, there is still no resolution, then the comment resolution will be decided by the Party that will own the Project Element upon completion. Approvals of comment resolution may not be unreasonably withheld, delayed or denied.

v. Permit Inspections. Review of plans, construction and installation of the Project Elements will be subject to certain inspections by Chicago departments under whose jurisdiction said work is done and which will issue permits under applicable laws and regulations. In the event of a conflict between the permit inspector and the Observer, the permit inspector's approval will control and govern for work performed under the permit issued by the inspector's department.

E. Construction Submittals. The Construction Administrator will review the
contractor's submittals. For Project Elements to be owned by Chicago (Tunnel Extension, Low Service Pump Station, Chicago Service Valve), electronic copies of all approved submittals will be provided to Chicago for its record. If the document submitted (such as a shop drawing, RFI (request for information) or other required document) proposes a change to the Construction Contract which is reviewed and recommended by the Construction Administrator and Resident Engineer, the change process described in Section 8.11 will be followed.


The Parties agree that Changes may be necessary from time to time during the construction of the Project Elements primarily located on the Southwest Pump Station Site and the Durkin Site, and agree that the principles in this Section 8.11 will apply to the review and approval of various categories of Changes.

A. Submission and Approval. Submission and approval of proposed Changes shall be subject to the following:

   i. For all Project Elements: All proposed Changes that result in the change of the location of any of the Project Elements must be submitted by Joliet to the Observer for Chicago and is subject to approval by Chicago.

   ii. For the Tunnel Connection: All proposed Changes that will limit or reduce the capacity of the Tunnel Connection must be submitted by Chicago to the Observer for Joliet and is subject to Joliet’s approval.

   iii. For Project Elements Chicago will own (Tunnel Extension, Low Service Pump Station, Chicago Service Valve): Prior to construction, the Resident Engineer and Observer will develop a process for the Observer to review and approve minor changes in the field. All other Changes must be submitted by Joliet to the Observer for Chicago and are subject to approval by Chicago.

   iv. For Project Elements Joliet will own (Meter Vault, Suction Well and High Service Pump Station): All proposed Changes to the Project Elements Joliet will own that will affect the operations of the Chicago Water System must be submitted by Joliet to the Observer for Chicago and are subject to approval by Chicago. All proposed Changes to the Meter Vault that will affect the accuracy of the meters in the Meter Vault must be submitted by Joliet to the Observer for Chicago and are subject to approval by Chicago. All proposed Changes to the Suction Well and High Service Pump Station that will affect the air gaps at those Project Elements must be submitted by Joliet to the Observer for Chicago and are subject to approval by Chicago.

B. Procedures for Changes.

   i. All proposed Changes to the Construction Contract for a Project Element required to be submitted to a Party pursuant to this Section 8.11 shall be submitted by the Resident Engineer to the other Party’s Observer and shall include the documentation substantiating the need for that Change.

   ii. The Parties agree that the Resident Engineer and Observer will consult with each other, by meeting in person, by electronic communications or both, regarding Changes that are submitted.
iii. The Observer receiving the Change should provide initial feedback within two (2) Business Days, as practicable, and a formal response within ten (10) Business Days, as practicable which time period may be extended or reduced by mutual agreement of the Parties based on the extent and urgency of the Change being proposed. The response may be to approve the Change or disapprove the Change. A Party may disapprove a Change only for items that require that Party's approval under Subsection 8.11.A. In the event of a disapproval, the Resident Engineer and the Observer shall consult with each other to determine if there is a modification to the Change that would be mutually agreed and approved.

iv. If a Change is due to an emergency situation, the Parties will give such notice to each other and consult with each other as may be practicable under the circumstances. If the Observer is absent or cannot be reached, the Party requesting the Change will proceed to address the emergency situation and notify the Observer for the other Party promptly thereafter.

v. If the Party not proposing the Change does not respond to the proposed Change, the Party proposing the Change will proceed in good faith and its best judgment and notify the other Party's through its Observer.

vi. The Parties will coordinate and work in good faith to avoid any unreasonable delays in responding to requests for Change.

8.12. Start-Up of New Water Supply Infrastructure in Chicago. The Party holding the Construction Contract for a Project Element shall be responsible for performing the procedures necessary for initial start-up of that Project Element. Because the eight Project Elements within Chicago corporate limits must work together in a coordinated fashion to deliver and receive Water, the Parties will cooperate in performing the start-up procedures for these Project Elements.

8.13. Construction Cost Totals. The Party responsible for design of the Project Element is also the Party responsible for awarding the Construction Contract (pursuant to Section 8.3), and shall provide the following cost information to the other Party at the times designated below:

A. An opinion of probable construction cost for each Project Element primarily located on the Southwest Pumping Station Site or the Durkin Site at each design milestone (10%, 30%, 60%, 90%);

B. The contract price for each Project Element primarily located on the Southwest Pumping Station Site or the Durkin Site at the time of award of the Construction Contract; and

C. Updated construction costs for such Project Element at appropriate intervals during construction.


A. Joliet's transfer of the Conveyed Water Infrastructure shall take place upon Chicago's acceptance of the Conveyed Water Infrastructure and confirmation that all amounts required to be paid by Chicago for construction of each Project Element have been paid.

B. Chicago's acceptance of the Conveyed Water Infrastructure shall be contingent on:
the Conveyed Water Infrastructure's completion in compliance with the Design Intent approved by Chicago and Joliet subject to modification pursuant to the Change process in Section 8.11, notwithstanding minor punch-list items documented as of the date of the transfer which do not affect Chicago's ability to operate the Chicago Water System. The Contractor responsible for resolving said minor punch-list items documented as of the date of the transfer shall do so in a timely fashion and as required by Chicago; and

ii. the Joliet New Water Supply Infrastructure and the Conveyed Water Infrastructure's testing, flushing, disinfection, start-up and commissioning. Joliet and Chicago will jointly develop a plan for said testing, flushing, disinfection, and commission during which Chicago personnel shall be present.

C. Transfer documents shall be in a form mutually acceptable to the Parties and the warranties to be assigned shall be those provided by the construction contractor for each of the Conveyed Water Infrastructure Project Elements. Upon completion of the required transfers and assignments, the transfer of the Project Elements and warranties shall be final and Chicago will be the owner and sole operator of those Project Elements.

D. Joliet's transfer of the Conveyed Water Infrastructure shall take place prior to Partial Delivery unless otherwise mutually agreed to by the Parties.

8.15. Coordination of Communications and Public Education and Outreach.

A. Coordination by the Parties. Chicago and Joliet agree to coordinate in communicating with affected government agencies and officials, community organizations, and the public regarding the design and construction of the Project Elements within Chicago's corporate limits, in order to enhance understanding about the nature and extent of the construction and the ongoing use of the Chicago New Water Supply Infrastructure and Joliet New Water Supply Infrastructure for the provision of water supply to Joliet and the changes to Durkin Park for future use by the public. This communication will be developed and implemented to achieve these and other mutually agreed objectives, and could be accomplished by a variety of means, including meetings with appropriate agencies, officials and organizations; distribution of information via various means such as newsletters, websites, social media, signage; and other methods to be developed.

B. Role of Chicago. Chicago will be primarily responsible for these types of communication and public education and outreach in connection with the construction of Project Elements within Chicago's corporate limits and will include coordination with Chicago's Director of Public Affairs and Deputy Commissioner, Regional Partnerships, both in the DWM, and the office of the 18th Ward Alderman, as appropriate.

C. Role of Joliet. Joliet will support Chicago in Chicago's efforts under this Subsection 8.15.C.

8.16. New Water Supply Infrastructure Outside Chicago. Joliet shall provide such portions of the New Water Supply Infrastructure located outside the Chicago corporate boundaries as are necessary to transmit Water from the Transmission Main-Chicago to the Joliet region, sufficient to serve all Joliet Customers.

8.17. New Water Supply Infrastructure Beyond Point of Demarcation. Chicago will not be responsible for the New Water Supply Infrastructure located downstream of the Point of Demarcation.
ARTICLE 9. FINANCING THE NEW WATER SUPPLY INFRASTRUCTURE

9.1. Financing the New Water Supply Infrastructure.

A. Chicago shall obtain sufficient financing ("Chicago Sufficient Financing") for payment of the entire costs of the Tunnel Connection, the Tunnel Extension, the Low Service Pump Station, and the Chicago Service Valve ("Chicago Financing").

B. Joliet shall obtain sufficient financing ("Joliet Sufficient Financing") for payment of (1) the entire costs of the Meter Vault, the Suction Well, the High Service Pump Station and the Transmission Main; (2) all the costs relating to the real estate transactions necessary to effect this Agreement, including, but not limited to the Easements and the Durkin Temporary Construction Access Permit; and (3) the costs of the New Water Supply Infrastructure outside of the Chicago corporate boundaries including all related appurtenances, (collectively, "Joliet Financing").

9.2. Financing Plans. The Parties agree that six (6) months before the start of the bidding and award period for construction of the Tunnel Extension, Low Service Pump Station and Chicago Service Valve ("Bidding and Award Period Start Date") or the approval of a contract for construction with a CMAR Contractor, Joliet shall provide written notice to Chicago of said Bidding and Award Period Start Date. Four (4) months prior to the Bidding and Award Period Start Date for the construction of the Tunnel Extension, Low Service Pump Station and Chicago Service Valve, Joliet shall present to Chicago a written financing plan describing Joliet's plan to procure the Joliet Financing and Chicago shall present to Joliet a written financing plan describing Chicago's plan to procure the Chicago Financing. Each financing plan shall include a timetable of transactions, dollar amount of the transactions and funding source, and may be amended at any time by the Parties.

9.3. Chicago Inability to Obtain Sufficient Chicago Financing. In the event Chicago is unable to obtain the Chicago Sufficient Financing by the Chicago Financing Deadline, Joliet may elect to procure financing for the Chicago New Water Supply Infrastructure ("Substitute Chicago Financing") pursuant to the terms of this section as follows:

A. Chicago shall provide written notice to Joliet that it is unable to obtain Chicago Sufficient Financing as soon as practicable for each anticipated transaction included in Chicago's finance plan.

B. Joliet shall have 30 days to provide written notice to Chicago whether Joliet intends to obtain the Substitute Chicago Financing.

C. Joliet shall have 30 days from the date of Joliet's receipt of the Chicago Financing Deadline Notice to obtain Substitute Chicago Financing to be approved by Chicago at its sole discretion in writing.

D. The Parties agree that the Substitute Chicago Financing shall not be secured by the full faith and credit of Chicago as a general obligation, nor shall the Substitute Chicago Financing encumber the infrastructure of the Chicago Water System.

9.4. Joliet Inability to Obtain Joliet Sufficient Financing. In the event that Joliet is unable to obtain the Joliet Sufficient Financing for the Joliet New Water Supply Infrastructure, Chicago may explore the option of providing financing ("Substitute Joliet Financing") to Joliet for the Joliet...
New Water Supply Infrastructure if requested by Joliet pursuant to the terms of this Section 9.4. Joliet may consider but is not obligated to approve and accept such Substitute Joliet Financing.

A. Joliet shall provide written notice to Chicago that it is unable to obtain Joliet Sufficient Financing as soon as practicable for each anticipated transaction included in the Joliet Finance Plan.

B. Chicago shall have 30 days to provide written notice to Joliet whether Chicago intends to obtain Substitute Joliet Financing and submit for Joliet's approval.

C. The Parties agree that the proposed Substitute Joliet Financing is subject to Joliet's approval at the sole discretion of Joliet.

D. Chicago shall have 30 days from the date of Chicago's receipt of the Joliet Financing Deadline Notice to submit proposed Substitute Joliet Financing to Joliet.

E. Joliet shall have 30 days from its receipt of the proposed Substitute Joliet Financing to Joliet to approve or reject the proposed Substitute Joliet Financing, such approval or rejection to be provided to Chicago in written form.

9.5 Status Reports of Procurement. Joliet and Chicago shall each provide the other Party with a status of the procurement of the Joliet Financing or Chicago Financing as applicable, on an annual basis, and shall promptly notify the other Party in the event of a material change in said Party's Financing Plan.

9.6. Joliet Termination for Inability to Procure Joliet Sufficient Financing. In the event Joliet is unable to procure Joliet Sufficient Financing for the Joliet New Water Supply Infrastructure, then Joliet may terminate this Agreement pursuant to the terms of Article 6 of this Agreement.

9.7. Joliet-Constructed Chicago New Water Infrastructure Financing and Funding

A. Chicago Financing and Funding of Joliet-Constructed Chicago New Water Infrastructure. Chicago and Joliet agree that Chicago shall make available funds sufficient to pay the construction of the Tunnel Extension, Low Service Pump Station and Chicago Service Valve to be constructed by Joliet (collectively, "Joliet-Constructed Chicago New Water Infrastructure") up to the Joliet-Constructed Chicago New Water Infrastructure Cost (as defined in this Agreement) and as provided in this Subsection 9.7.A, Chicago shall fund the costs of construction of the Joliet-Constructed Chicago New Water Infrastructure as said costs are incurred by Joliet during the period until the Joliet-Constructed Chicago New Water Infrastructure is placed in service.

B. Cost of Joliet-Constructed Chicago New Water Infrastructure. Joliet has provided information to Chicago, and Chicago understands that the cost of Joliet-Constructed Chicago New Water Infrastructure is, as of the Effective Date, estimated to be up to sixty five million dollars ($65,000,000) ("Joliet-Constructed Chicago New Water Infrastructure Cost"). As provided in Article 17.2 of this Agreement, for purposes of the calculation of the Charged Water Rate as provided in this Agreement, the Joliet-Constructed Chicago New Water Infrastructure Cost amount shall be adjusted accordingly so that the fair value net plant investment of the Joliet-Constructed Chicago New Water Infrastructure shall be calculated based on the actual cost incurred by Chicago for the Joliet-Constructed Chicago New Water Infrastructure.
C. Chicago Appropriation for Financing Relating to Agreement. The City Council, pursuant to that certain ordinance enacted on April _, 2023 ("Chicago Appropriation Ordinance"), has appropriated the amount of $65,000,000 for the purposes of financing the Joliet-Constructed Chicago New Water Infrastructure Costs. If the Joliet-Constructed Chicago New Water Infrastructure Costs increase to an amount in excess of said appropriation and Chicago agrees to such an increase, Chicago shall present an additional appropriation before the Chicago City Council for their consideration and approval.

D. Chicago and Joliet agree that two (2) months before the Bidding and Award Period Start Date, Chicago shall have a Joliet-Constructed Chicago New Water Infrastructure Funding Source available for disbursement under the terms of this Agreement.

E. Preconditions of Disbursements of Joliet-Constructed Chicago New Water Infrastructure Funding Source Funds. Prior to each disbursement of Joliet-Constructed Chicago New Water Infrastructure Funding Source funds, but not more often than once a month, Joliet shall submit a disbursement request ("Disbursement Request") with supporting documentation including but not limited to engineering certificates, invoices, final statements, final estimates and such other documentation required by Chicago and shall provide copies to Chicago. Chicago shall promptly review each Disbursement Request and if satisfactory to Chicago, shall be approved by Chicago at its reasonable discretion. Chicago shall have thirty (30) days from receipt of the Disbursement Request to approve, deny the Disbursement Request or request additional information from Joliet. If approved, Chicago will release the funds in a manner mutually agreed by the Parties. In the event of denial, Chicago shall provide a rationale for the denial and Joliet will have the opportunity to provide updated or revised information to address the reasons for denial. Delivery by Joliet to Chicago of each Disbursement Request shall constitute a certification to Chicago, as of the date of such Disbursement Request, that:

i. the total amount of the Disbursement Request represents the actual amount payable to (or paid to) a general contractor and/or subcontractors or other parties and/or their payees who have performed work, or provided goods or services with respect to the Joliet-Constructed Chicago New Water Infrastructure;

ii. all amounts shown as previous payments on the current Disbursement Request have been paid to the parties entitled to such payment;

iii. Joliet has approved all work and materials for the current Disbursement Request, and such work and materials conform to the Chicago New Water Supply Infrastructure plans and specifications;

iv. the representations and warranties contained in this Agreement are true and correct and Joliet is in compliance with all covenants contained herein;

v. Joliet has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Joliet-Constructed Chicago New Water Infrastructure;

vi. 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 under this Agreement exists or has occurred;

vii. Joliet has taken no action or omitted to take action which could have the effect of causing interest on any Chicago tax exempt- line of credit or other obligation to be
includable in gross income for federal income tax purposes under the Internal Revenue Code; and

viii. Chicago may require Joliet to submit further documentation to verify that the matters certified to above are correct, and any disbursement shall be subject to Chicago’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 Chicago from relying on such certifications by Joliet. In addition, Joliet shall have satisfied all other preconditions of disbursement of Chicago New Infrastructure Funding Source funds for each disbursement, including but not limited to requirements set forth in this Agreement.

G. Use of Joliet-Constructed Chicago New Water Infrastructure Funding Source Funds. Joliet-Constructed Chicago New Water Infrastructure Funding Source funds may only be used to pay or to reimburse Joliet or to make payments as directed by Joliet, for the costs of the Joliet-Constructed Chicago New Water Infrastructure. Joliet agrees not to use the Joliet-Constructed Chicago New Water Infrastructure Funding Source funds in any manner which would adversely affect the exclusion of the interest on a tax-exempt obligation, if any, issued by Chicago in connection with a Joliet-Constructed Chicago New Water Infrastructure Financing Transaction from the gross income of the recipients of said tax-exempt obligation for federal income tax purposes, and shall act in compliance with all applicable laws and regulations under the Internal Revenue Code.

ARTICLE 10. REAL ESTATE MATTERS

10.1. Real Estate for Chicago New Water Supply Infrastructure and Joliet New Water Supply Infrastructure. In order to enable the delivery of Water by Chicago to Joliet, the Parties have agreed that additional facilities must be provided in proximity to Chicago’s Southwest Pumping Station, and that certain real estate transactions will be necessary for those facilities, as described in this Article.

A. The Chicago New Water Supply Infrastructure will be located on the Southwest Pumping Station Site.

B. The Joliet New Water Supply Infrastructure will be located within the Chicago corporate limits, with a portion located on the Southwest Pumping Station Site and a portion located on the Durkin Site.

10.2. Durkin Park and the Durkin Site. On or before July 31, 2023, unless otherwise mutually agreed by the Parties:

A. Chicago will acquire from CPD and CPD will transfer title to Chicago, to the Durkin Site pursuant to and in accordance with the terms of that certain Intergovernmental Agreement ("Original IGA"), as amended by that certain First Amendment to Intergovernmental Agreement (as amended, "IGA") between Chicago and CPD dated as of July 30, 2021, and December 31, 2022, respectively, and attached to this Agreement as Exhibit H, for use in support of the City’s water system, specifically for the construction and operation of the Suction Well.

B. The Original IGA was approved by the Chicago Plan Commission on April 15, 2021, pursuant to Resolution Number 21-011-21, and is authorized by an ordinance adopted by the Chicago City Council on July 21, 2021, and published in the Journal of the Proceedings of the City Council for such date at pages 32846 through 32859, and by a resolution adopted by the Board of Commissioners of CPD on July 16, 2021.
C. Chicago and CPD will enter into a Lease whereby Chicago shall lease a portion of the surface area of the Durkin Site to CPD to ensure the continued use of the Durkin Site as a public park; provided, however, CPD's right to use and enjoy the surface area of the Durkin Site shall be paused during the construction of the Joliet New Water Supply Infrastructure and restoration of Durkin Park by Joliet.

D. Chicago will grant an easement to Joliet pursuant to an Easement Agreement for Durkin Park pursuant to which, among other things, Chicago will grant Joliet a "permanent" easement (coterminal with this Agreement, unless terminated earlier in accordance with Section 3 of the Easement Agreement for Durkin Park) on the Durkin Site for the construction, operation and maintenance, and permanent placement of a portion of the Joliet New Water Supply Infrastructure and related appurtenances.

E. The Parties agree and acknowledge that under the terms of the IGA, ownership of the Durkin Site will revert from Chicago back to CPD upon the Termination or the expiration of this Agreement upon which all of the Easements will terminate, as provided under the terms of said Easements; provided, however, that such reversion of title shall not occur (although the termination of Easements shall still occur) if Joliet has commenced construction of the Joliet New Water Supply Infrastructure on the Durkin Site.

F. CPD will enter into an Easement Agreement with Joliet, pursuant to which, among other things, CPD will grant Joliet the temporary use of an easement area on Durkin Park during the construction of and permanent placement of a portion of the Joliet New Water Supply Infrastructure and related appurtenances on the Durkin Site and for future construction, maintenance and repair.

10.3. Southwest Pumping Station Site. Chicago and Joliet will enter into that certain Easement Agreement for Two (2) Permanent Easement and Seven (7) Temporary Easements (the "Southwest Pumping Station Site Easements"), under the terms of which, upon which, among other things, a portion of the Joliet New Water Supply Infrastructure and related appurtenances shall be constructed, owned, operated and maintained at the Southwest Pumping Station Site

10.4. Compensation.

A. Joliet hereby agrees to pay all of the costs of certain restorations and improvements to the Durkin Site and the Durkin Temporary Construction Area including but not limited to the construction of a new natural grass turf field or any other improvement on the Durkin Site and/or the Durkin Temporary Construction Area mutually agreed upon up to the value of an artificial turf, junior-size soccer field.

B. The Parties acknowledge that during the Design and Construction Period, residents of the community in which Durkin Park is located will be disrupted during the construction of the project on Durkin Park. Therefore, in addition to the paying for the compensation identified for the temporary easements on Durkin Park, Joliet agrees to pay to CPD the aggregate amount of $1.75 million dollars within thirty (30) days after execution of the temporary easement agreement between Joliet and CPD, which CPD shall use to construct improvements at other parks in the area, as provided in the IGA.

C. The Parties acknowledge that Joliet will pay to Chicago the agreed-upon valuation of the Southwest Pumping Station Site Easements pursuant to the easement agreement.
ARTICLE 11. WATER PURCHASE AND SALE; QUANTITY AND CAPACITY

11.1. Delivery of Water.

A. General. Chicago shall deliver to Joliet at the Point of Demarcation, and Joliet shall purchase and take from Chicago, a supply of Water pursuant and according to the terms of this Agreement. The quantity of Water to be delivered by Chicago at various times during the Term will be determined according to the following provisions and subject to Sections 11.8 and 11.9:

i. The quantity of Water to be provided by Chicago is governed by Section 11.2;

ii. State Water Allocations are governed by Section 11.3;

iii. The schedule for Water delivery by Chicago is governed by Section 11.4;

iv. The addition of Subsequent Purchasers is governed by Section 11.5; and

v. The removal of Subsequent Purchasers is governed by Section 11.6.

B. Water for Joliet and Joliet Customers. All Water provided will be for Joliet and the Joliet Customers, except as provided in Section 11.10 or as otherwise authorized by Chicago.

C. Uniform Rate of Water Delivery. Chicago shall deliver Water to Joliet from the Chicago Water System at the Point of Demarcation at as uniform a rate as practicable during the 24 hours of each day; notwithstanding the foregoing, either Party may request a non-uniform flow to which the other Party may agree in its reasonable discretion.

D. Title to Water. Title to all Water delivered by Chicago shall remain with Chicago upstream of the Point of Demarcation. Joliet shall take title to the delivered Water at the Point of Demarcation and shall deem the Water as having been delivered by Chicago.

11.2. Quantity of Water.

A. Daily Quantity. Chicago shall deliver Water to Joliet on any day in an amount as requested by Joliet; provided, however, that Chicago shall not be obligated to deliver an amount exceeding the lesser of (i) Guaranteed Maximum Capacity or (ii) Contractual Maximum Day Demand.

B. State Water Allocations. The quantities of Water shown on Exhibit A for the Allocation Amounts shall be the quantities allocated in the State Water Allocation, as modified or extended from time to time, for each of Joliet and the Subsequent Purchasers.

C. Then-Current LSPS Capacity. Chicago agrees that it will be able to provide Water at the Then-Current LSPS Capacity at all times on and after the Targeted Water Delivery Date and during the Term, except as otherwise provided by this Agreement.

D. Guaranteed Maximum Capacity. As of the Effective Date, the Chicago Water System has sufficient capacity to supply Water to Joliet for the Joliet Customers in amounts up to and including Guaranteed Maximum Capacity. During the Term, Chicago shall maintain and reserve sufficient capacity to supply Water to the Joliet Customers in amounts up to and including
Guaranteed Maximum Capacity which as of the Effective Date is one hundred and five (105) MGD. Any increase in Guaranteed Maximum Capacity is subject to the process in Section 11.8.

E. Modifications to Exhibit A. Modifications to Exhibit A to reflect changes in State Water Allocations of Joliet and the Subsequent Purchasers and the addition of State Water Allocations for new Subsequent Purchasers will be made as provided in this Subsection 11.2.E. If any of the following events occur, Joliet shall promptly notify Chicago and provide an updated Exhibit A that is consistent with the applicable State Water Allocation. Such an updated Exhibit A shall replace the then-existing Exhibit A; approval of such updated Exhibit A by either Party shall be required only as provided in those portions of Section 11.5 and Section 11.8, if any, that are applicable to the particular event.

i. If the State Water Allocation of Joliet or any then-current Subsequent Purchaser is modified to (i) change the quantities of Water allocated therein or (ii) change the Water Years included therein; provided, however, that if such a modification will result in a change in Water quantity to be provided by Chicago to Joliet as described in Sections 11.8.B or 11.8.C, then the procedures in the applicable Section shall apply;

ii. If Joliet proposes to add a new Subsequent Purchaser meeting the criteria in Subsection 11.5.A.i; provided, however, that if Chicago approves of the addition of the new Subsequent Purchaser and such an addition will result in a change in Water quantity to be provided by Chicago to Joliet as described in Subsections 11.8.B or 11.8.C, then the procedures in the applicable Section shall apply;

iii. If Joliet proposes to add a new Subsequent Purchaser meeting the criteria in Subsection 11.5.A.ii, then the procedures in Subsection 11.8.C shall apply;

iv. If Joliet proposes to add a new Subsequent Purchaser meeting the criteria in Subsection 11.5.B.i, then no additional procedures in Section 11.8 shall apply;

v. If Joliet proposes to add a new Subsequent Purchaser meeting the criteria in Subsection 11.5.B.ii, then the procedures in the Section 11.8.B shall apply.

If the quantities of Water in the updated Exhibit A result in a change in the amount of a then-required Partial Delivery or Full Delivery, then Chicago shall promptly deliver Water at the updated amount of Partial Delivery or Full Delivery unless (x) such updated amount exceeds the lesser of Guaranteed Maximum Capacity or Contractual Maximum Day Demand; or (y) additional infrastructure is required pursuant to Sections 11.5 and 11.8, in which case the delivery of Water at the updated amount (not to exceed the lesser of Guaranteed Maximum Capacity or Contractual Maximum Day Demand) will commence promptly after completion of the necessary infrastructure.

11.3. Allocations.

A. Permits Required. Permits for a State Water Allocation shall be obtained and maintained as follows for all Water provided by Chicago to Joliet:

i. Joliet. Joliet shall maintain a permit for a State Water Allocation for all Water to be supplied to Joliet by Chicago for use by Joliet (excluding Subsequent Purchasers). Joliet’s State Water Allocation amounts are as described in Exhibit A.

ii. Subsequent Purchasers. Joliet shall require each Subsequent Purchaser to obtain and maintain a permit for a State Water Allocation for all Water to be supplied to
that Subsequent Purchaser from Joliet. (Each Subsequent Purchaser's State Water Allocation amount is as described in Exhibit A.

11.4. Schedule for Water Delivery. Chicago agrees that it will be ready and able to provide an amount of Water not to exceed the lesser of Guaranteed Maximum Capacity or Contractual Maximum Day Demand, as of the Targeted Water Delivery Date subject to (i) Chicago substantially completing construction of the Tunnel Connection by the Targeted Water Delivery Date, and (ii) Joliet substantially completing construction of the Chicago New Water Supply Infrastructure (other than the Tunnel Connection), both in a manner sufficient to supply Water to Joliet. Chicago's obligation to deliver Water to Joliet (other than with respect to Initial Water for Testing) will not commence prior to the Targeted Water Delivery Date. The Parties anticipate that delivery of Water to Joliet will be commenced in several phases in different amounts, and shall confer and agree on an estimated schedule for the commencement of provision of Initial Water for Testing, Partial Delivery or Partial Deliveries (which includes Ongoing Water for Testing), Initial Full Delivery and Full Delivery of Water to Joliet. The Parties agree that any and all Partial Delivery, Initial Full Delivery, or Full Delivery of Water by Chicago at the Point of Demarcation and all obligations related to such deliveries are also subject to: (i) Chicago substantially completing construction of the Tunnel Connection by the Targeted Water Delivery Date, and (ii) Joliet substantially completing construction of the Chicago New Water Supply Infrastructure (other than the Tunnel Connection), both in a manner sufficient to supply Water to Joliet. In addition, the Parties shall confer and agree on a schedule for any New Deliveries for Subsequent Purchasers as provided in Section 11.5.

A. Initial Water for Testing. Once construction of the New Water Supply Infrastructure has commenced and prior to any Partial Delivery, Chicago shall furnish to Joliet the Initial Water for Testing as designated by Joliet and required by this Subsection A; provided, however, that the amount of Initial Water for Testing shall not exceed the lesser of Guaranteed Maximum Capacity or Contractual Maximum Day Demand.

i. Intermittent Supply. Testing and construction will require certain quantities of Water on an intermittent and periodic basis, and may be Hydrant Water, Water delivered through the New Water Supply Infrastructure, or Water delivered through other portions of the Chicago Water System or the infrastructure of another Chicago Wholesale Customer. For all requests for Water other than Hydrant Water, Joliet shall notify Chicago pursuant to, and containing the information required by, Subsection v.

ii. Hydrant Water. If Joliet or its contractor shall apply for a permit from Chicago to obtain Hydrant Water for use in testing and construction, such permit shall not be unreasonably withheld or delayed by Chicago.

iii. Water Delivered Via the New Water Supply Infrastructure. After the Targeted Water Delivery Date and upon notice pursuant to Subsection [v], Chicago shall make available Initial Water for Testing to Joliet via the New Water Supply Infrastructure, in an amount not exceeding the lesser of Guaranteed Maximum Capacity or Contractual Maximum Day Demand. Chicago agrees to discuss with Joliet any request that Joliet may make if Joliet determines that it requires Initial Water for Testing prior to the Targeted Water Delivery Date and Chicago shall provide such Water to Joliet, if possible. Water provided under this Subsection iii is subject to notice under Subsection v.

iv. Water Delivered Via Other Infrastructure. Chicago will cooperate with Joliet to make Water available to Joliet (in an amount not exceeding the lesser of Guaranteed Maximum Capacity or Contractual Maximum Day Demand) for such testing and
construction from other portions of the Chicago Water System or the infrastructure of another Chicago Wholesale Customer. If delivery of Water from other portions of the Chicago Water System for such testing and construction is not practicable, Chicago will cooperate with Joliet in efforts to obtain Water (which may not need to be potable) for testing and construction purposes from one or more Chicago Wholesale Customers or a subsequent purchaser of another Chicago Wholesale Customer, including providing such authorizations, approvals and other documents as are necessary for such Chicago Wholesale Customer or subsequent purchaser to provide Water to Joliet for testing and construction. Water provided under this Subsection [iv] is subject to notice under Subsection [v] and applicable law. Chicago shall not be liable for any refusal by another Chicago Wholesale Customer or a subsequent purchaser of another Chicago Wholesale Customer to supply Water to Joliet.

v. Notice. Joliet shall notify Chicago not less than fifteen (15) days prior to testing and construction of all or any portion of the New Water Supply Infrastructure that requires Water (other than Hydrant Water) from Chicago, or from one or more Chicago Wholesale Customers or a subsequent purchaser of a Chicago Wholesale Customer, in order to complete such testing and construction. This notice will include the anticipated date and time of planned testing, the portion and location of the New Water Supply Infrastructure requiring testing or construction, the location of the point of connection for the Water to be supplied, and the estimated quantity of Initial Water for Testing required for such testing or construction. Notice under this Subsection [v] is not required for Hydrant Water.

B. Partial Deliveries: Initial Full Delivery. In order to achieve Initial Full Delivery, Chicago will be ready and able to deliver Water to Joliet in one or more Partial Deliveries on one or more dates provided by Joliet to Chicago, none of which shall be earlier than the Targeted Water Delivery Date and none of which, individually or collectively, shall exceed the lesser of Guaranteed Maximum Capacity or Contractual Maximum Day Demand.

i. Continuous Supply. All Partial Deliveries and Initial Full Delivery will require Water delivery to Joliet to be provided as a continuous and ongoing Water supply, 24 hours a day, 7 days a week.

ii. Notice. When Joliet has completed initial testing of all or a portion of the New Water Supply Infrastructure and is ready to begin receiving one or more Partial Deliveries or Initial Full Delivery of Water from Chicago for delivery to Joliet Customers, Joliet shall notify Chicago that it is ready to receive Water from Chicago. This notice will be given not less than fifteen (15) days prior to the first day of each Partial Delivery or Initial Full Delivery. Notice of each Partial Delivery will include (a) the anticipated date and time of commencement of each Partial Delivery and the estimated quantity of Water to be provided in that Partial Delivery, and (b) the anticipated date and time of commencement of Initial Full Delivery and the estimated quantity of Water to be provided for Initial Full Delivery at such date and time.

iii. Initial Full Delivery. Chicago agrees that it will be ready and able to deliver Water to Joliet for Initial Full Delivery to Joliet in the quantities specified in Section [11.2] on the date in the notice provided by Joliet to Chicago, which shall not be earlier than the Targeted Water Delivery Date. Initial Full Delivery is anticipated to occur not longer than two years after the date of the first Partial Delivery to the initial Joliet Customers.

iv. Ongoing Water for Testing. Chicago agrees to provide Ongoing Water for
Testing to Joliet and its contractors during the period of Partial Deliveries, as Hydrant Water and as Water delivered by the New Water Supply Infrastructure or other portions of the Chicago Water System. Any Ongoing Water for Testing from the New Water Supply Infrastructure that is required during Partial Deliveries shall be provided as part of the Partial Deliveries. Joliet shall include in its daily quantity request the estimated quantity of Ongoing Water for Testing to be provided.

C. Full Delivery. Chicago will deliver Water to Joliet on any day during Full Delivery in an amount not to exceed the lesser of (i) Guaranteed Maximum Capacity and (ii) Contractual Maximum Day Demand.

   i. Continuous Supply. Full Delivery will require Water delivery to Joliet to be provided as a continuous and ongoing Water supply, 24 hours a day, 7 days a week.

   ii. Ongoing Full Delivery. The Parties agree that, from and after the date of the Initial Full Delivery, Chicago will be considered to be providing Full Delivery. Full Delivery can be reached multiple times during the Term.

D. New Deliveries to Subsequent Purchasers. Upon notice from Joliet for a New Delivery, Chicago will increase the quantity of Water delivered to Joliet in an amount equal to the New Delivery designated in such notice for use by a Subsequent Purchaser that is authorized to receive Water pursuant to Section 11.5; provided, however, that such increased amount shall not exceed the lesser of Guaranteed Maximum Capacity or Contractual Maximum Day Demand.

E. Ongoing Full Delivery. Upon implementation, each New Delivery will be included in and considered to be a part of Full Delivery.

11.5. Addition of Joliet Subsequent Purchasers. Joliet will notify Chicago of the addition of any Subsequent Purchaser. The date on which Chicago will provide Water for New Delivery to a Subsequent Purchaser will be mutually agreed by the Parties.

A. Approval Required. Approval of the addition by the Commissioner will be required only if:

   i. the Subsequent Purchaser is other than a state agency or unit of local government, then Chicago's approval shall be required, which Chicago may deny in its reasonable discretion, or

   ii. the addition of the Subsequent Purchaser will cause the total quantity of Water to be provided to Joliet to exceed Guaranteed Maximum Capacity at any time during the Term, in which case the process in Section [11.8] shall apply.

B. Approval Not Required. Approval of the addition by Chicago will not be required if the addition of the new Subsequent Purchaser:

   i. will not cause the total quantity of Water to be provided to Joliet to exceed the Then-Current LSPS Capacity, or

   ii. will cause the total quantity of Water to be provided to Joliet to exceed the Then-Current LSPS Capacity but not the Guaranteed Maximum Capacity, in which case the process in Section 11.8 shall apply.
C. **Notice.** When Joliet is ready to begin receiving a New Delivery, Joliet shall notify Chicago that it is ready to receive Water from Chicago for delivery to such a Subsequent Purchaser. If no increase in Then-Current LSPS Capacity is required, this notice will be given not less than fifteen (15) days prior to the first day of the New Delivery. In the event that the proposed New Delivery will cause the subsequent Full Delivery to exceed the Then-Current LSPS Capacity, Joliet’s notice to Chicago of the New Delivery will include both the projections described in Section 11.8 and the proposed New Delivery to the new Subsequent Purchaser, following which the Parties will engage in the process established under Section 11.8. Notice of each New Delivery will include the anticipated date and time of commencement of each New Delivery as well as the estimated quantity of Water to be provided in that New Delivery.

D. **Requirements for Subsequent Purchasers.** To the maximum extent possible, when a new Subsequent Purchaser has been a direct Chicago Customer immediately prior to entering into an agreement with Joliet, that agreement will provide that delivery of Water to the new Subsequent Purchaser will commence on the first day of the year on which Chicago’s water rate is based. As of the Effective Date, that date is January 1. This Agreement does not modify any water supply agreement between Chicago and that direct Chicago Customer.

11.6. **Removal of Joliet Subsequent Purchasers.** Joliet will notify Chicago of the removal of any Subsequent Purchaser.

A. **Approval.** Approval by the Commissioner of the removal of a Subsequent Purchaser is not required.

B. **Notice.** Joliet shall notify Chicago that a Subsequent Purchaser will no longer be a Subsequent Purchaser of Joliet not less than fifteen (15) days prior to the last day on which the Subsequent Purchaser will purchase Water from Joliet. Notice of removal of a Subsequent Purchaser will include the anticipated date and time of cessation of Water service to that Subsequent Purchaser by Joliet.

11.7. **Reserved.**

11.8. **Future Water Demand Analysis: Future Expansions.**

A. **Projections Required.** Joliet shall conduct and perform a future water demand analysis every five years commencing in 2035. Joliet will provide this analysis to Chicago by June 1, 2036 and every five years thereafter during the Term. The analysis will include at least the following:

i. A 30-year projection of Projected Average Day Demand and Projected Maximum Day Demand in five-year increments as well as a projection and timeline for these demand levels for future buildout for Joliet and its Subsequent Purchasers;

ii. A comparison of the Projected Maximum Day Demands with the Then-Current LSPS Capacity and the Guaranteed Maximum Capacity;

iii. A comparison of the Projected Maximum Day Demands with the capacity of the Joliet New Water Supply Infrastructure; and

iv. Whether the sum of the Projected Maximum Day Demands of Joliet and the Subsequent Purchasers, as well as any anticipated new Subsequent Purchasers pursuant to Section 11.5, will exceed the Then-Current LSPS Capacity.
Following submission of each future water demand analysis, Joliet and Chicago will meet to discuss the projected demand analysis. During the time between the future water demand analyses, the Parties agree to update, review and confer about the projected capacity analysis as needed.

B. Expansion of Then-Current LSPS Capacity up to the Guaranteed Maximum Capacity.

i. If the Projected Maximum Day Demand of the Joliet Customers (but not including Emergency Purchasers), which may include any projected new Subsequent Purchasers pursuant to Section 11.5, will exceed the Then-Current LSPS Capacity but will not exceed the Guaranteed Maximum Capacity, then Joliet will notify Chicago of such projections at least five years prior to the date the Projected Maximum Day Demand is projected to exceed the Then-Current LSPS Capacity, or such shorter time as may be mutually agreed by the Parties. The notice shall include the water demand projections and analysis on which Joliet relies and Joliet's requested increase in capacity.

ii. Promptly after Chicago's receipt of such a notice from Joliet, Chicago and Joliet shall engage in discussions and negotiations to determine how to increase the Then-Current LSPS Capacity to meet the Projected Maximum Day Demand, including, but not limited to the following items:

a. The amount of Then-Current LSPS Capacity needed to meet the Projected Maximum Day Demand;

b. The agreed-upon improvements or additions to the Low Service Pump Station that are necessary and required to enable Chicago to provide Water in excess of the Then-Current LSPS Capacity and to meet the Projected Maximum Day Demand amounts;

c. The associated costs of the agreed-upon improvements or additions; and

d. The agreed-upon time frame for completing such improvements or additions.

iii. Chicago shall pay for and perform all necessary design and construction of the improvements or additions to the Low Service Pump Station required under this Subsection 11.8 B(iii) The cost of these improvements by Chicago shall be incorporated into the Charged Water Rate as provided in this Agreement.

iv. Joliet shall pay for and perform all necessary design and construction of the necessary improvements or additions to the Joliet New Water Supply Infrastructure necessary to receive the additional quantity of Water from the improvements or additions made by Chicago under this Subsection 11.8 B(iv).

C. Expansion in Excess of the Guaranteed Maximum Capacity.

i. If the Projected Maximum Day Demand of the Joliet Customers (but not including Emergency Purchasers), which may include any projected new Subsequent Purchasers pursuant to Section 11.5, will exceed the Guaranteed Maximum Capacity, then Joliet will notify Chicago. The notice shall include the water demand projections and
analysis on which Joliet relies and Joliet's desired increase in Guaranteed Maximum Capacity.

ii. Promptly after Chicago's receipt of such a notice from Joliet, Chicago shall initiate an evaluation of the capacity of the Chicago Water System upstream of the Tunnel Connection and whether it is feasible for Chicago to provide Water in excess of the Guaranteed Maximum Capacity and in amounts sufficient to meet the Projected Maximum Day Demand as provided in the notice from Joliet. Chicago shall notify Joliet when Chicago has completed this evaluation and provide a copy of the evaluation to Joliet. Chicago's determination as to the feasibility of providing such additional Water supply to Joliet as described in the notice from Joliet shall be made in Chicago's sole discretion. For water supply quantities in excess of the Range, the Parties agree to develop a process by which the Parties will evaluate and negotiate those additional or future water supply needs in light of the feasibility of providing such additional supply, based on the capacity of the Chicago Water System at that time and, where possible, such improvements as may be necessary to make it feasible to provide such additional supply.

iii. If Chicago decides to proceed with improvements to the Chicago Water System to provide sufficient Water in excess of the Guaranteed Maximum Capacity to meet the Projected Maximum Day Demand as provided in the notice from Joliet, Chicago and Joliet shall engage in discussions and negotiations to determine the new amount of Guaranteed Maximum Capacity. Upon agreement by the Parties of the new amount of Guaranteed Maximum Capacity, Chicago shall determine and inform Joliet of the following items:

a. The improvements or additions to the Chicago Water System required to provide Water in excess of the Guaranteed Maximum Capacity and to meet the Projected Maximum Day Demand amounts;

b. The time frame for achieving such improvements or additions to the Chicago Water System; and

c. The associated costs of the improvements or additions.

Joliet and Chicago shall thereafter promptly engage in discussions and negotiations to reach agreement on any required amendments to this Agreement.

iv. Chicago shall pay for and perform all necessary design and construction of the improvements or additions to the Chicago Water System under this Subsection [C]. The cost of these improvements by Chicago shall be incorporated into Charged Water Rate as provided in this Agreement.

v. Joliet shall pay for and perform all necessary design and construction of, the necessary improvements or additions to the Joliet New Water Supply Infrastructure necessary to receive the additional quantity of Water from the improvements or additions made by Chicago under this Subsection 11.8. C.

D. This Section assumes that the sum of the Allocation Amounts multiplied by two, as set forth in Exhibit A, exceeds the Then-Current LSPS Capacity and exceeds Guaranteed Maximum Capacity. In the event that the sum of the Allocation Amounts multiplied by two, as set forth in Exhibit A, does not exceed the Then-Current LSPS Capacity or does not exceed Guaranteed Maximum Capacity, the Parties shall discuss whether to apply the provision of this
section or whether to agree on another process.

11.9. **Maintenance, Emergencies, and Impact on Quantities and Curtailment.** Chicago and Joliet agree to communicate regularly about maintenance needs for, and emergencies occurring on, each Party’s Water System and to coordinate their actions in a manner so as to minimize any actual or potential impact on the supply of Water to the Joliet Water System and to minimize the actual or potential impact of the operation of the Joliet Water System on the Chicago Water System.

A. **Chicago Planned Maintenance.** Joliet understands that as part of the operation of the Chicago Water System, Chicago will perform planned maintenance on the Chicago Water System that may or will affect the delivery of Water to Joliet from time to time. Planned maintenance includes four categories, which are defined as follows:

i. **Level One Maintenance.** Level One Maintenance is planned maintenance by Chicago that may or will cause Chicago to be unable to deliver the Then-Current LSPS Capacity to Joliet but Chicago will be able to deliver the Projected Maximum Day Demand for the Joliet Customers (but not including Emergency Purchasers) during such maintenance. Chicago shall notify Joliet that it plans to perform Level One Maintenance not less than two (2) business days prior to commencement of such work.

ii. **Level Two Maintenance.** Level Two Maintenance is planned maintenance that may or will cause Chicago to be unable to deliver the Projected Maximum Day Demand for the Joliet Customers (but not including Emergency Purchasers) but Chicago will be able to deliver the sum of the Allocation Amounts for Joliet and the Subsequent Purchasers during such maintenance. Chicago shall notify Joliet that it plans to perform Level Two Maintenance not less than thirty (30) days prior to commencement of such work. Chicago will perform all Level Two Maintenance within a timeframe consistent with the Water storage capacity of Joliet and its Subsequent Purchasers.

iii. **Level Three Maintenance.** Level Three Maintenance is planned maintenance that may or will cause Chicago to be unable to deliver the lesser of the sum of the Allocation Amounts for Joliet and the Subsequent Purchasers or the Projected Average Day Demand for the Joliet Customers (but not including Emergency Purchasers) during all or any portion of such maintenance. Chicago shall notify Joliet that it plans to perform Level Three Maintenance not less than ninety (90) days prior to commencement of such work. Chicago will perform all Level Three Maintenance within a timeframe consistent with the Water storage capacity of Joliet and its Subsequent Purchasers.

iv. **Level Four Maintenance.** Level Four Maintenance is planned maintenance that may or will cause Chicago to be unable to deliver the lesser of the sum of the Allocation Amounts for Joliet and the Subsequent Purchasers or the Projected Average Day Demand for the Joliet Customers (but not including Emergency Purchasers) during such maintenance, and that cannot be performed within a timeframe consistent with the Water storage capacity of Joliet and its Subsequent Purchasers. Chicago shall notify Joliet that it plans to perform Level Four Maintenance not less than six (6) months prior to commencement of such work. Chicago shall meet with Joliet during the planning and performance of all Level Four Maintenance so as to minimize the impact of Chicago’s inability to deliver the lesser of the sum of the Allocation Amounts for Joliet and the Subsequent Purchasers or the Projected Average Day Demand for the Joliet Customers (but not including Emergency Purchasers) during such maintenance. Chicago shall take such actions, including without limitation making and expediting repairs or adjustments,
as are necessary to restore delivery to Joliet of the Water required to be furnished pursuant to this Agreement.

Notices of planned maintenance that Chicago is required to provide under this Section [11.9] shall comply with the requirements of Subsection [B].

B. Content of Notices by Chicago. All notices required to be given by Chicago to Joliet regarding maintenance pursuant to this Section [11.9] shall include at least the following information:

i. A description of the maintenance and the reason why it is required;

ii. The anticipated impact on the supply of Water to Joliet;

iii. The anticipated duration of the maintenance;

iv. The quantity of Water that Chicago will be able to supply to Joliet during, and following completion of, the maintenance; and

v. The anticipated commencement and completion dates for the maintenance.

C. Emergency, Failure or Malfunction in the Chicago Water System. If, from time to time and for any reason, including without limitation emergency, failure or malfunction in the Chicago Water System, Chicago is unable to furnish to Joliet the lesser of Contractual Maximum Day Demand or Guaranteed Maximum Capacity, Chicago shall notify Joliet thereof and use due diligence to operate the Chicago Water System during any such occurrence to provide Water to Joliet insofar as practicable and shall, as promptly as possible, take such actions, including without limitation making and expediting repairs or adjustments, as are necessary to restore delivery to Joliet of the Water required to be furnished pursuant to this Agreement. Chicago shall have the right to restrict the supply of Water to Joliet during such time in order to ensure an adequate Water supply to all Chicago Customers for public health and fire protection. Chicago shall provide an initial notice to Joliet as soon as practicable after discovery regarding Chicago’s inability to furnish in full the quantities of Water to be furnished to Joliet and the scope and extent of the known limitations. Promptly after assessment of such inability, Chicago shall provide notice to Joliet containing at least the following information necessary to restore delivery to Joliet of the Water to be furnished pursuant to this Agreement:

i. A description of the causes of Chicago’s inability to furnish in full the quantities of Water to be furnished to Joliet;

ii. The anticipated impact on the supply of Water to Joliet;

iii. The actions necessary to restore delivery to Joliet of the Water to be furnished pursuant to this Agreement;

iv. The quantity of Water that Chicago will be able to supply to Joliet during, and following completion of, the actions necessary to restore delivery to Joliet of the Water to be furnished pursuant to this Agreement; and

v. The anticipated commencement and completion dates for the actions described in the notice.
D. **Joliet Planned Maintenance.** Chicago understands that as part of the operation of the Joliet Water System, Joliet will perform planned maintenance on the Joliet Water System that may or will affect the ability of Joliet to accept delivery of Water from Chicago from time to time and will coordinate the delivery of Water to Joliet to take into account any needs for an increased or reduced rate of delivery of Water prior to, during and after such maintenance.

E. **Content of Notices by Joliet.** Joliet shall notify Chicago that it plans to perform planned maintenance not less than thirty (30) days prior to commencement of such work. All notices required to be given by Chicago to Joliet regarding maintenance pursuant to this Section [11.9] shall include at least the following information:

i. A description of the maintenance and the reason why it is required;

ii. The anticipated impact on Joliet Water System operations and receipt of Water by Joliet;

iii. The anticipated duration of the maintenance;

iv. The quantity of Water that Joliet will be able to receive from Chicago during, and following completion of, the maintenance; and

v. The anticipated commencement and completion dates for the maintenance.

F. **Emergency, Failure or Malfunction in the Joliet Water System.** If, from time to time and for any reason, including without limitation emergency, failure or malfunction in the Joliet Water System, Joliet is unable to receive delivery in full of the quantities of Water to be furnished to the Joliet Customers, Joliet shall notify Chicago thereof. Joliet shall use due diligence to operate the Joliet Water System during any such occurrence to receive Water from Chicago at an increased or reduced rate of delivery of Water prior to, during and after such repairs and adjustments insofar as practicable. Joliet shall provide an initial notice to Chicago as soon as practicable after discovery regarding Joliet’s inability to receive in full the quantities of Water to be furnished by Chicago and the scope and extent of the known limitations. Joliet shall, as promptly as possible, take such actions, including without limitation making and expediting repairs or adjustments, as are necessary to restore the ability of the Joliet Water System to receive delivery from Chicago of the Water required to be furnished pursuant to this Agreement. Promptly after assessment of such inability, Joliet shall provide notice to Chicago containing at least the following information necessary to restore Joliet’s ability to receive delivery from Chicago of the Water to be furnished pursuant to this Agreement.

i. A description of the causes of Joliet’s inability to receive in full the quantities of Water to be delivered by Chicago;

ii. The anticipated impact on Joliet Water System operations and supply of Water received by Joliet;

iii. The actions necessary to restore Joliet’s ability to receive delivery from Chicago of the Water to be furnished pursuant to this Agreement and the anticipated duration of these actions;

iv. The quantity of Water that Joliet will be able to receive from Chicago during, and following completion of, the actions necessary to restore Joliet’s ability to receive
delivery from Chicago of the Water to be furnished pursuant to this Agreement;

v. any additional impact on the Chicago Water System including without limit
the operations of the Southwest Pumping Station or access thereto; and

vi. The anticipated commencement and completion dates for the actions
described in the notice.


A. Joliet's Limited Right to Purchase Water from Others. In case of the failure of
Chicago to supply Water in the amounts specified in this Agreement, this Agreement shall not be
construed to prohibit Joliet from serving the Joliet Customers from any source, including wells.
During such period of time when Chicago is unable to supply Water to Joliet, Joliet may enter into
an agreement with other providers for Water service in any amount and from any source in order
to supply the Joliet Customers, subject to applicable laws and regulations; during any other period
of time, Joliet shall not enter into an agreement with other providers to obtain water.

B. Emergency Water Service to Others. Joliet shall be permitted to provide
emergency Water service to others through an Emergency Interconnection when necessary and
where possible, subject to applicable law:

i. In amounts that, when added to the maximum quantity of Water to be
provided to Joliet pursuant to Section 11.2, do not exceed Contractual Maximum Day
Demand. Any other limitations on the quantity of Water will be subject to and governed
by Section 11.9; and

ii. In the case of a Permanent Emergency Interconnection, Joliet shall
maintain a list of entities with which Joliet has an agreement to provide emergency Water
service and provide a copy of the list to Chicago promptly after the list is updated; or

iii. In the case of a proposed Temporary Emergency Interconnection, Joliet
shall promptly notify Chicago of the proposed location, manner of connection and duration
of the Temporary Emergency Interconnection.

ARTICLE 12. REPORTING

12.1. Report of Water Rate Schedule of Joliet Customers. During the Term and any
Renewal Term of this Agreement, at the written request of the Commissioner (which shall not
exceed once every calendar year), Joliet agrees to submit to the Commissioner a written copy of
the prevailing water rate schedule as applicable to the Joliet Customers (but not including
Emergency Purchasers). If the Commissioner desires additional information about the rates and
how they were established, the Commissioner may submit a written request to Joliet and Joliet
will provide the available information as it relates to the tax-exempt status of the Joliet bonds.

12.2. Water Supply Contracts. Within sixty (60) days after the Effective Date, Joliet will
provide Chicago with copies of water supply contracts with all of its Subsequent Purchasers.
During the Term, Joliet shall provide to the Commissioner copies of all Water supply contracts
and any amendments or addenda to each such contract, entered into between Joliet and its
Subsequent Purchasers during the Term within thirty (30) days after the execution of such Water
supply contracts, or amendments or addenda to said contracts. Each such contract shall hold
harmless and indemnify Chicago from any and all claims and liabilities, including but not limited
to Water quality claims. In addition, Joliet shall provide Chicago with copies of any agreements, and amendments to agreements relating to the management of any regional water commissions.

12.3. Report of Water Received and Furnished. Beginning with the month during which the first Partial Delivery occurs, Joliet shall submit to the Commissioner by the 10th day of each month, a report showing the daily amount of Water received the previous month from Chicago and the amount furnished to Joliet and each of Joliet's direct wholesale customers.

12.4. Reports of Joliet Total Storage Capacity. Upon request of the Commissioner, Joliet shall submit to the Commissioner a report of Joliet's total storage capacity and the storage capacity of any Subsequent Purchasers' water systems describing the type of water storage facilities included in calculating the required storage capacity under Article 13. Joliet shall provide this information no later than [thirty (30)] days after receipt of the Commissioner's request.

ARTICLE 13. STORAGE CAPACITY


A. Storage Capacity Required. Joliet shall ensure that sufficient Water storage capacity is provided in its entire system, including the Joliet Water System and Subsequent Purchasers' systems, to store an amount not less than twice the aggregate Allocation Amount, as adjusted and amended from time to time, except as otherwise provided in Subsection B below. All suction wells, reservoirs and storage tanks provided by the distribution system portion of the Joliet Water System and any Subsequent Purchasers' water distribution systems (but not including transmission system storage) shall be considered in meeting this storage requirement.

B. Initial Storage Construction. Chicago and Joliet recognize that Joliet and the Subsequent Purchasers will construct the storage facilities based on availability of contractors and materials and that it may not be feasible to provide storage in an amount not less than twice the aggregate Allocation Amount by the first day of Partial Delivery of Water by Chicago. Joliet agrees, and will require its Subsequent Purchasers to agree, to provide the storage described in Subsection A above not later than December 31, 2040. Joliet acknowledges, and shall cause its Subsequent Purchasers to acknowledge, that in the event of a curtailment under Section [11.9] that lasts longer than the available Water storage during this initial construction of water storage, Joliet and its Subsequent Purchasers shall be responsible to obtain water from existing storage as well as from an alternative water source other than Chicago. Joliet agrees to maintain its and cause the Subsequent Purchasers to maintain their water storage capacity in an amount not less than the amount it has in place as of the Effective Date, as shown on Exhibit G.

13.2. Alternatives to Storage. In addition to the storage capacity requirements in this Section, Joliet understands that Joliet and the Subsequent Purchasers should have access to alternate sources of water in the event of extended maintenance or in the event of an emergency whereby the Water supply from Chicago is restricted for a period in excess of two (2) days.
ARTICLE 14. QUALITY OF WATER

14.1. Quality of Water Furnished.

A. Generally. Chicago shall supply Joliet with Water of a quality commensurate with that furnished to its consumers within the Chicago limits, the Water quality being consistent with the Regulatory Requirements. Except as otherwise provided in Subsections 14.1.B and 14.1.C, Chicago shall not be responsible for the quality of Water downstream of the Point of Demarcation.

B. Taste and Odor. As needed, Chicago will take action including, but not limited to, appropriate treatment based on then-current practices to remove unpleasant taste and odors in the Water, so as to ensure that the Water quality meets the secondary maximum contaminant level ("MCL") for taste and odor as established by the United States Environmental Protection Agency National Secondary Drinking Water Regulations. Chicago shall not be responsible for taste and odor beyond secondary MCL levels. As of the Effective Date, the current best practice for the removal of taste and odors is the use of powdered activated carbon. Chicago shall not be responsible for unpleasant tastes and odors beyond Regulatory Requirements downstream of the Point of Demarcation.

C. Impact of Water Treatment by Chicago. If treatment processes used by Chicago cause or, if the Parties agree, create the potential to cause, the Water in the Joliet Water System and the water systems of Joliet's Subsequent Purchasers to fail to meet Regulatory Requirements related to non-nitrogen-based Slow-Reaction Compounds or inadequate chlorine levels, and Joliet or Joliet's Subsequent Purchasers:

i. have not provided additional treatment (other than addition of free chlorine, ammonia, or both for disinfection purposes and/or phosphate for corrosion control),

ii. have not mixed the Water with water from another source that does not originate from Chicago, and

iii. have employed best practices regarding tank turnover and mixing for storage tank operations in accordance with the AWWA manual M68 entitled "Water Quality in Distribution Systems" (then-current version) in the Joliet Water System and the water systems of Joliet's Subsequent Purchasers,

then Chicago will modify its Water treatment processes as necessary to correct said failure or to address the potential to cause said failure. If ammonia is added by Joliet or Joliet's Subsequent Purchasers, Chicago will not be responsible for the formation of nitrogen-based disinfection by-products. For the purposes of this Subsection 14.1.C, Joliet will submit to Chicago such information as is available and reasonably requested by Chicago and necessary to assess the conditions, or the potential conditions, described in this Subsection 14.1.C.

14.2. Maintenance of Water Quality Downstream of Point of Demarcation. Joliet shall be responsible for maintaining the Water quality at all points downstream of the Point of Demarcation in a manner consistent with the applicable standards of any federal, State or local agency with jurisdiction over public water supplies, except as otherwise provided in Subsections 14.1.B and 14.1.C.

14.3. Monitoring. Joliet and Chicago each intend to install water quality monitors downstream and upstream, respectively, of the Point of Demarcation. The Parties agree to share available Water quality monitoring data with each other upon request of the other Party. If each
Party collects Water quality data based on samples or online instrumentation, and the Parties' respective data differs either materially or on a consistent basis the Parties agree to discuss the data to identify the source of the difference. Such discussions may include the Parties providing to each other the methods and records of testing and maintenance performed on the devices or other instrumentation from which the Water quality data are taken, and will perform other testing as needed, in order to determine the source of differences in the data. The Parties agree to adjust testing methods and/or perform such maintenance or other work, in each case, as is necessary on their respective devices and other instrumentation to correct the source of the differences in the data.

14.4. **Air Gap.** Except as otherwise agreed by the Parties, there shall be one or more air gaps at the Durkin Site or at the Southwest Pumping Station Site to separate the Chicago Water System from the Joliet Water System. On and after the date of first Partial Delivery, Joliet must ensure that all Water delivered to Joliet at the Point of Demarcation passes through an air gap downstream of the Point of Demarcation and upstream of the Transmission Main-Chicago. All air gaps will be designed, constructed and maintained by Joliet to provide a distance of at least one and one-half (1.5) feet between the outlet of the pipe and the maximum Water level in the associated well, and to otherwise conform to the standards of Chicago, as well as all applicable Laws.

14.5. **Emergency Mutual Notice—Water Quality.**

A. **Emergency Events.** The Parties shall notify each other in the event of:

i. any failure of the Water in the Chicago Water System or the Joliet Water System to meet the applicable standards of any federal, State or local agency with jurisdiction over public water supplies, or if said Water exhibits changes in taste, odor, texture or appearance;

ii. an emergency due to a failure, malfunction or catastrophic event that will materially impact the quality of Water supplied by Chicago to Joliet; and

iii. any emergency, threat or other condition that could reasonably be expected to affect the quality of Water within either the Joliet Water System or the Chicago Water System.

B. **Notices Required.** If a Party identifies an emergency event described in Subsection A, that Party shall provide an initial notice to the other Party as soon as practicable after discovery of any of the Water quality conditions described in Subsection A and, to the extent known, the scope and extent of the identified conditions. Promptly after assessment of the Water quality conditions, the Party providing the initial notice shall provide a second notice to the other Party containing at least the following information regarding restoration of Water quality and describing the actions necessary to address the conditions identified:

i. A description of the causes of the Water quality conditions identified;

ii. The anticipated impact on either of the following, as applicable: (a) the ability of Chicago to provide Water to Joliet that meets the requirements of this Agreement or (b) the Chicago Water System due to an emergency or other condition of the Joliet Water System;

iii. The actions necessary to, as applicable, (a) restore delivery to Joliet of
Water that meets the requirements of this Agreement or (b) address the emergency or other condition in the Joliet Water System that may affect Water quality in the Chicago Water System or Joliet Water System, and the anticipated duration of these actions;

iv. If the identified Water quality conditions will cause a reduction in either (a) the quantity of Water provided by Chicago to Joliet, or (b) Joliet's ability to accept water from Chicago, then the notice shall state the quantity of Water that Chicago anticipates it will be able to supply to Joliet, or the quantity of Water that Joliet anticipates it will be able to receive from Chicago, as applicable, for the period during and following completion of the actions necessary to restore delivery to Joliet of the Water to be furnished pursuant to this Agreement; and

v. The anticipated commencement and completion dates for the actions described in the notice.

14.6. Mutual Water Quality Assistance. Chicago and Joliet each may request assistance from the other Party in connection with matters pertaining to or affecting Water quality. As part of providing assistance to the other Party, a Party may, with consent from and prior notice to, the other Party:

A. Make inspections of portions of the other Party's Water System, including the New Water Supply Infrastructure, which may affect the quality of the Water supplied to Joliet; and

B. Perform relevant tests on a Water sample drawn from the other Party's Water System.


A. Chicago agrees to provide assistance to Joliet in connection with the completion of its Water Source Transfer Plan, including at the time of (i) testing to assist in determining the manner of transition from well water to Water (i.e., the development of a Water Source Transfer Plan), and (ii) water source transfer from well water as Joliet's water source to Water as Joliet's water source, at the time of each Partial Delivery and Full Delivery.

B. Such assistance may include the following and such other assistance as otherwise may be reasonably required: providing relevant water quality information, providing a point of connection to obtain either finished Water prior to corrosion control addition or finished Water after corrosion control addition (depending on the type of corrosion control being used by Chicago), the ability to use Chicago's existing Water testing equipment, as available, providing space for testing including at the Eugene Sawyer Water Purification Plant or the Southwest Pumping Station or other location, providing Water for testing and other items required for Joliet to complete its Water Source Transfer Plan. If testing requires use of pipe loops, Joliet will construct and use its own Water testing loop, including any testing-related equipment and capital improvements. Joliet shall pay the costs relating to Water sampling and testing.

ARTICLE 15. OWNERSHIP, MAINTENANCE AND OPERATION OF THE NEW WATER SUPPLY INFRASTRUCTURE

15.1. Ownership and Responsibility for Operation and Maintenance of New Water Supply Infrastructure. Each Party will own, and shall be responsible for the operation and Maintenance of, the New Water Supply Infrastructure as designated for such Party below:
A. Chicago will be the owner of the Chicago New Water Supply Infrastructure, and shall be responsible for the operation and Maintenance of the Chicago New Water Supply Infrastructure as necessary to deliver Water to Joliet at the Point of Demarcation. Chicago ownership of the Tunnel Extension, the Low Service Pump Station and the Chicago Service Valve will be established through the process described in Section 8.13.

B. Joliet will be the owner of the Joliet New Water Supply Infrastructure, and shall be responsible for the operation and Maintenance of the Joliet New Water Supply Infrastructure as necessary for Joliet to receive Water from Chicago for conveyance to the Joliet Customers.

C. Joliet will be the owner, and shall be responsible for the operation and Maintenance, of the New Water Supply Infrastructure located outside the Chicago corporate boundaries.

D. Each Party shall perform the requirements of this Section 15.1 that are designated as that Party's responsibility at its cost and expense.

15.2. Operation and Maintenance of Project Elements.

A. Operations. Operation of the Project Elements by the Party owning the Project Element shall be consistent with any operational requirements in this Agreement, as well as all applicable local, State and Federal laws and regulations, including but not limited to the IEPA regulations in Title 35 of the Illinois Administrative Code, or any applicable successor regulations.

B. Coordination. Each Party shall operate and maintain its Project Elements within Chicago corporate boundaries in a coordinated manner with the other Party's operation and maintenance of its Project Elements.

C. Protection of Water Systems. Each Party shall operate its respective Water System in such a manner as at no time to place the other Party, or the other Party's Waterworks System, in jeopardy of failing to meet the regulations of any federal, State, or local agency or governmental authority having jurisdiction over the operation of the Party's Water System from time to time. Each Party shall operate its respective Water System in such a manner as at no time to cause damage to the other Party's Waterworks System.

D. Maintenance. Joliet shall maintain the Joliet New Water Supply Infrastructure and Chicago shall maintain the Chicago New Water Supply Infrastructure in good working condition and repair, in a manner consistent with the best practices for municipal water systems. Maintenance shall be performed in a manner that will not permanently reduce or limit the operations, functionality of the Project Element as initially designed and constructed, unless modified through the implementation of mutually agreed Capital Improvements.

15.3. Joliet's Continued Rights. During the Term of this Agreement, the Parties understand and agree that:

A. Joliet shall be entitled to continue to receive Water from the Tunnel Extension, Low Service Pump Station and Chicago Service Valve; and

B. No Chicago Customer other than Joliet will be provided Water service with the use of the Tunnel Extension, Low Service Pump Station and Chicago Service Valve without the prior written consent of Joliet.
15.4. **Site Operations at Durkin Site and Southwest Pumping Station Site.**

A. **Use of and Access to the Southwest Pumping Station Site.** Chicago and Joliet acknowledge and agree that they will be sharing use of areas within the Southwest Pumping Station Site and agree to enter into an agreement for the shared use of the site in a manner to address matters pertaining to the operation and use of the Southwest Pumping Station Site, including but not limited to the matters included in this Section 15.4.

B. **Security.** Chicago shall be responsible for developing and implementing the protocol and procedures for security measures at the Southwest Pumping Station Site, including but not limited to access, surveillance, and control of entry through the use of items such as gates, cameras, door access controls and other items that may be appropriate from time to time. Joliet will cooperate with Chicago regarding participation in all reasonable security measures, procedures and protocols for the Southwest Pumping Station Site and the Project Elements primarily located on that site. Chicago agrees to provide to Joliet access to the necessary information to enable Joliet to maintain security of its Project Elements. Joliet and Chicago shall coordinate on the protocols and procedures for the security at Durkin Park site.

C. **Other Site Improvements.** Chicago will be the owner of improvements on the Southwest Pumping Station Site located outside the Project Elements, such as fencing, gates, pavement, security lighting, security and access control equipment, trees and plantings and other items. Chicago shall be responsible for providing maintenance, repair and replacement of these items as well as site maintenance on the Southwest Pumping Station Site, including but not limited to lawn and landscape maintenance, snow removal, pavement repairs, and other activities.

D. **Mutual Assistance.** Chicago and Joliet agree to cooperate with each other and be available to provide mutual aid in connection with emergency events occurring in each other's Project Elements.

15.5. **Annual Review.** The Parties shall meet on an annual basis to present and review their respective plans for Capital Improvements to the New Water Supply Infrastructure for the next five years as well as Maintenance planned or proposed by either Party on the Southwest Pumping Station Site or the Durkin Park Site and any other activities regarding the Chicago Water System or Joliet Water System that would have an actual or potential impact on the delivery of Water by Chicago to Joliet as provided in Section 11.9. The purpose of the meeting will be to review potential impacts of each Party's proposed Capital Improvements and Maintenance on the functionality, operation and costs of the other Party's New Water Supply Infrastructure, actual or potential impacts on delivery of Water as provided in Section 11.9 and potential impacts of planned or proposed activities that may require coordination of the use of the Southwest Pumping Station Site. A meeting under this Section may also include discussion of future water demand analysis as described in Section 11.8.

15.6. **Modification of Project Elements.** Chicago anticipates that the Chicago New Water Supply Infrastructure and components thereof, shall require Maintenance and Capital Improvements, and Joliet anticipates that the Joliet New Water Supply Infrastructure and components thereof, shall require Maintenance and Capital Improvements.

A. **Costs.** The cost of Capital Improvements to the Joliet New Water Supply Infrastructure shall be the responsibility of Joliet and the cost of Capital Improvements to the Chicago New Water Supply Infrastructure shall be the responsibility of Chicago.

B. **Change in Design Intent.** If the proposed Maintenance or Capital Improvement...
permanently reduces or limits the operations or functionality of the Project Element as initially designed and constructed, then the Maintenance or Capital Improvement will be treated as a change in the Design Intent for the Project Element. All changes to the Design Intent of the Project Elements shall be mutually agreed to by both Parties.

C. Notice and Review.

i. Notice for Maintenance and Capital Improvements. For any proposed Maintenance or Capital Improvement, the Parties agree to notify each other of any proposed Maintenance or Capital Improvement on the Southwest Pumping Station Site or the Durkin Park Site. The notice shall include sufficient information about the proposed Maintenance or Capital Improvements to allow the receiving Party to determine whether the proposed Maintenance or Capital Improvement may have the potential to affect one or more of the following:

   a. The access to the Southwest Pumping Station Site or the Project Elements located on the Southwest Pumping Station Site by the receiving Party.

   b. The Design Intent of the proposing Party’s Project Elements.

Notice shall be given sufficiently in advance of the proposed Maintenance or Capital Improvement to allow the receiving Party to review the proposed Maintenance or Capital Improvement and notify the Party providing the notice that the receiving Party believes the proposed Maintenance or Capital Improvement will or will not affect its access to or use of, or the operation and functionality of, the Project Elements. If a Capital Improvement requires an IEPA permit, then notice shall be provided not less than ninety (90) days prior to submitting an application to the IEPA for a permit for such work and shall include in the notice a brief statement of the rationale for the Capital Improvement proposed, and whether the proposing Party considers the Capital Improvement to be a change in the Design Intent. If an activity regarding the Chicago Water System or Joliet Water System would have an actual or potential impact on the delivery of Water by Chicago to Joliet, notice shall also be given as required by Section 11.9.

ii. Responses and Review Process. This Subsection shall apply to any proposed Maintenance or Capital Improvement for which notice is required pursuant to Subsection 15.6.C(i) above or Subsection 15.6.C(iii) below.

   a. If the Party receiving the notice believes the proposed Maintenance or Capital Improvement will affect its access or require site coordination, the Parties will meet and confer to coordinate their activities to make it possible to perform the proposed Maintenance or Capital Improvement with no or minimal impact on the other Party.

   b. If the Party receiving the notice concludes that the proposed work does not change the Design Intent for the Project Element, then no further response is required from the receiving Party.

   c. If the Party receiving the notice considers the work described in the notice to be a change in the Design Intent for the Project Element, then the Party receiving the notice shall request that the proposed Party submit documents to allow for a more detailed review by the receiving Party. If, after review of the more detailed information, the Party receiving the notice still believes the work is a
change in the Design Intent, then the Parties agree to meet and confer to determine whether the change in Design Intent can be mutually agreed to by the Parties. If the change in Design Intent is not mutually agreed, then the proposing Party shall modify the proposed work so that it does not change the Design Intent for the Project Element. The Parties agree to meet and confer to reach agreement on modifications to the proposed work to address and resolve the receiving Party’s concerns.

iii. **Changes.** If, subsequent to resolution of comments and issues pursuant to Subsection ii, it becomes necessary to make a Change to the Construction Contract for the proposed Maintenance or Capital Improvement, then the Party proposing the Change must notify the other Party, and the Parties will follow the process in Subsection ii above. If the Maintenance or Capital Improvement is being constructed at the time the Change is proposed, the Parties shall follow the process on an expedited basis.

iv. **Additional Notices.** Any notices required in this Subsection 15.6.8 shall be in addition to other notices regarding the Project Elements that are required by this Agreement.

C. **Permits in Chicago.** Chicago shall cooperate with Joliet in obtaining all necessary permits for performing the Capital Improvements and Maintenance to the Joliet Project Elements located within Chicago corporate boundaries.

D. **Expansion of Project Element.** If a Party proposes to undertake a Capital Improvement that is an expansion of one or more of its Project Elements within Chicago corporate boundaries, then the Parties will jointly develop and abide by procedures similar to the procedures in Sections 8.5, 8.6, 8.8, 8.10 and 8.11 for the design and design review, construction and construction review, inspections and Changes will be handled for the expansion. The Parties shall jointly develop the procedures prior to the commencement of the design of the expansion.

15.7 **Notice of Qualifying Event.** If Chicago believes that a Qualifying Event has occurred, Chicago shall notify Joliet within 45 days after learning of the Qualifying Event and include in the notice a description of what Chicago believes is the Qualifying Event, the time required to correct or repair any issues caused by the Qualifying Event, the estimated cost associated with such correction or repair, and the impact on the Water rate charged to Joliet under Article 17.

**ARTICLE 16. MEASUREMENT OF WATER**

16.1. **Measurement of Water.** Chicago shall measure the quantity of Water furnished to Joliet under this Agreement on a continuous basis at the Point of Measurement. The unit of measurement shall be the United States standard liquid measure of gallons and all Measuring Devices shall be set to measure in gallons, unless otherwise agreed by the Parties.

16.2. **Measuring Devices.** Joliet shall furnish and install Measuring Devices acceptable to Chicago and Joliet and house such Measuring Devices in the Meter Vault for the purpose of measuring and recording the quantity of Water furnished pursuant to this Agreement. Such Measuring Devices shall have a margin of error identified by the manufacturer as no greater than +/- 1.5% and shall be suitable for the intended use and able to handle measurement of the quantity of Water to be furnished pursuant to this Agreement and shall be of a type that can be feasibly installed and accurately measure Water quantity at the Southwest Pumping Station Site. Joliet shall operate, maintain, repair, and, when necessary, replace the Measuring Devices at its cost.
16.3. **Readings.**

A. **General.** The Measuring Devices will include the ability to perform remote electronic monitoring of the quantity of Water being furnished on a continuous basis and both Chicago and Joliet will have access to the output and results of such monitoring. Monthly readings of quantity for the purpose of billing Joliet for Water delivered shall be taken on a consistent basis and on a date in each month that will allow accurate calculation of volume of Water furnished by Chicago to Joliet, consistent with Article 17.

B. **Measuring Device Processes for Alternate Meter Readings Method.** If obtaining measurements of Water quantity from Measuring Devices is not possible, or the Measuring Devices are determined by Joliet or Chicago to be registering incorrectly outside of the margin of error identified by the manufacturer so that the quantity of Water delivered to Joliet cannot be ascertained or computed from the readings of such Measuring Devices, the amount of Water furnished by Chicago to Joliet for the purpose of billing Joliet shall be the quantities registered by the water meters in the Low Service Pump Station, Joliet's check meter (if any), and the High Service Pump Station as follows in order of priority:

First, the water meters in the Low Service Pump Station, if reading within the margin of error identified by the manufacturer shall determine the amount of Water furnished;

Second, if the Low Service Pump Station water meters are not reading within the margin of error identified by the manufacturer, then if Joliet has a check meter and it is reading within the margin of error identified by the manufacturer, the amount of Water furnished shall be the amount shown on the check meter;

Third, if Joliet does not have a check meter or the Joliet check meter is not reading within the margin of error identified by the manufacturer, and the High Service Pump Station is reading within the margin of error identified by the manufacturer, then the quantity of Water furnished shall be the reading provided by the High Service Pump Station meter; or

If none of the water meters is within the margin of error identified by the manufacturer for each water meter, then the quantity of water shall be determined pursuant to Subsection 16.3.C.

C. **Estimated Readings-Averaging Method.** If the quantity of Water furnished cannot be determined based on the procedure described in Subsections 16.3.A or 16.3.B, Chicago shall prepare an estimated quantity to be used which shall be based upon the average of twelve (12) preceding readings of the Measuring Devices, exclusive of incorrect readings. When fewer than twelve (12) correct readings are available, a fewer number of readings, including some readings that may be available after the Measuring Device has been corrected, may be used. All records and quantity information used by Chicago in preparing the estimated quantity shall be provided by Chicago to Joliet for review not later than with the delivery of the invoice for the period for which estimates were made.

16.4. **Calibration.**

A. During a period of twelve (12) months after the date of start-up and commissioning of the Measuring Devices, the Measuring Devices will be calibrated on a monthly basis during the first two (2) months, for tests, and if there are no calibration issues, after the first two (2) months, the Measuring Devices will be calibrated during the next four (4) months on a bi-monthly basis, then during the next six (6) months, on a quarterly basis, and thereafter twice a year, but only if
during each period no calibration issues have arisen. If a calibration issue arises, calibration frequency will be temporarily adjusted to monthly for four (4) months before returning to calibration twice a year.

B. The Measuring Devices will be calibrated as provided in Subsection 16.4.A or upon any installation, repair, or replacement of any Measuring Device before such Measuring Device is placed in service, at Joliet’s cost, by a company qualified in the calibration of meters of comparable type and size to the Measuring Devices which company has been approved by Chicago. Joliet shall notify Chicago of the planned date and time of the calibration and the company proposed to perform the calibration. Such notice by Joliet shall be not less than ten (10) business days prior to the planned date and time. Joliet or the company will provide Chicago with information regarding the company’s calibration procedures and the equipment used for calibration which Chicago will have the right to inspect. If Chicago determines that the company proposed by Joliet is not qualified to perform the calibration, Chicago shall notify Joliet not less than two (2) business days prior to the date of calibration in Joliet’s notice of the reasons why Chicago believes the company is not qualified, and the calibration will be rescheduled and performed by a company mutually acceptable to the Parties. Chicago may have a representative present for the calibration. The results of the calibration shall be reported to both Parties.

16.5. Access to Measuring Devices. Chicago representatives may access the Measuring Devices for the purposes of examination, and inspection of the Measuring Devices according to the following procedures subject to instances of an emergency in which case the provisions under Article 15 of this Agreement shall apply:

A. Chicago shall notify Joliet, of a need to access the Measuring Devices not less than two (2) business days prior to the date and time for which access is requested. In the event that Chicago is unable to access the Measuring Devices at that date and time, Chicago may provide follow-up notice to Joliet likewise as soon as practicable to arrange an alternative date and time;

B. Chicago representatives must be accompanied by a Joliet representative unless an authorized Joliet representative waives the right to accompany Chicago representatives for the inspection in the notice.

C. Access to the Measuring Devices will be during business hours except in cases of emergency; and

D. The examination and inspection may be performed not more than once per month unless a need for more frequent access is identified by Chicago in its notice.

16.6. Repair, Replacement and Inspections of Measuring Device.

A. Joliet shall notify Chicago of any:

   i. repair of a Measuring Device that would interrupt the measurement of Water by that Measuring Device,

   ii. replacement-in-kind of a Measuring Device; or

   iii. replacement of a Measuring Device that is not a replacement-in-kind of a Measuring Device.
For any replacement described in Subsection C, Joliet shall provide drawings, plans and specifications, including the layout within the Meter Vault, to the Commissioner for review and approval prior to an application being made for an installation permit and prior to the start of any replacement work.

B. In the event that either Party becomes aware of an issue with any of the Measuring Devices, that Party shall notify the other Party and the Parties will discuss the issue and jointly determine the next steps that should be taken to resolve the issue.

16.7. Joliet Check Meter Joliet may, at its own expense, install, operate, maintain, repair and replace a check meter to check the readings of the Measuring Devices. Such check meter shall be for Joliet’s information, but its reading may serve as the best data and information available for the purposes of Section 16.3 for determining the quantity of Water delivered to Joliet by Chicago. The procedures in Section 16.5 for access to the Meter Vault shall apply to access by Chicago to Joliet’s check meter for examination and inspection. Calibration of Joliet’s check meter will be subject to the same requirements applicable to calibration of Measuring Devices in Section 16.4.

ARTICLE 17. WATER RATES

17.1. Establishment of Water Rate. The Parties agree that the rate charged by Chicago to Joliet for Water delivered during the Term will be established by different methods in each rate period:

A. The rate for Water delivered during the Initial Rate Period will be established as provided in Section 17.2;

B. The rate for Water delivered during the Second Rate Period will be established as provided in Section 17.3; and

C. The rate for Water delivered during the Regular Rate Period will be established as provided in Section 17.4.

17.2. Water Rate During the Initial Rate Period. During the Initial Rate Period:

A. For Water delivered as Initial Water for Testing through the Point of Demarcation or not through the Point of Demarcation other than as described in Subsections C and D of this Section, the Water Rate shall be equal to the rate charged by Chicago to the Chicago Retail Customers. If such Water is delivered before the metering devices in the Meter Vault are completed and calibrated, Chicago shall provide a good faith estimate of the quantity of Water under this Section within fifteen (15) days after the end of each month in which such Water is delivered.

B. From and After the Targeted Water Delivery Date

I. If Chicago has completed construction of the Tunnel Connection in a timeframe as to not delay Joliet’s completion of the Low Service Pump Station, Meter Vault, Suction Well, and High Service Pump Station and also that Joliet has not delayed Chicago’s completion of the Tunnel Connection, and Chicago has outstanding debt for the financing of the construction of one or more of the Tunnel Connection, Tunnel Extension, Low Service Pump Station or Chicago Service Valve, and Chicago is required to make payments for the cost of debt service on such outstanding debt, Joliet shall make payments to Chicago to cover any such debt service as such
debt service is due. The costs paid by Joliet shall include principal and interest payments on a line of credit or other financing arrangements as well as costs of issuance, professional fees, trustee fees and other administrative fees. These payments will cease as soon as Chicago begins to charge for Water delivered to Joliet in the Second Rate Period as described in Section 17.3. The total amount of any principal payments by Joliet to Chicago under this Subsection prior to commencement of Partial Delivery shall be deducted from the value of the asset which will be otherwise included in the rate base after the commencement of Partial Delivery; and

ii. If the Tunnel Connection has been completed and is ready to deliver Water to Joliet through the Tunnel Connection, and Joliet is not taking delivery of Water, then Joliet agrees to reimburse Chicago for any costs incurred, in connection with the maintenance and operation of the Tunnel Connection on a monthly basis.

iii. If Joliet transfers to Chicago, and Chicago takes ownership of Tunnel Extension, the Low Service Pump Station and the Chicago Service Valve, prior to the Second Rate Period, and Joliet is not taking delivery of Water through the Chicago New Water Supply Infrastructure, then Joliet agrees to reimburse Chicago for the costs it incurs, if any, in connection with maintenance and operation of the Tunnel Extension, the Low Service Pump Station and the Chicago Service Valve, on a monthly basis.

C. For Water provided by Chicago to Joliet via any Chicago Customer and the Water provided by Chicago is metered on that Customer’s meter, no payment from Joliet to Chicago shall be required. The Parties understand that the Chicago Customer will be charged for such Water by Chicago and that the Chicago Customer may charge Joliet for the Water delivered by the Chicago Customer to Joliet, which charges shall not be subject to approval or review by Chicago.

D. For Water provided by Chicago to Joliet that is not delivered through the Point of Demarcation (such as Water used during construction prior to substantial completion of the Chicago New Water Supply Infrastructure) and is not delivered via another Chicago Customer, such as Hydrant Water, Joliet shall pay for Water as provided in Section 17.10.

17.3 Water Rate During the Second Rate Period. During the Second Rate Period, the Charged Water Rate shall be calculated as described in this Section 17.3 and Subsection 17.4.A, and shall be subject to an Annual Reconciliation determined as described in Subsection 17.4.B, with the following exceptions

A. A fraction (“Second Rate Period Fraction”) of the capacity costs and customer costs will be allocable to Joliet

i. The Second Rate Period Fraction will be equal to the number of calendar days of the Second Rate Period during which Joliet takes delivery of Water from Chicago divided by three hundred sixty-five (365) days. The Second Rate Period Fraction will be estimated based on the projected number of calendar days of the Second Rate Period in determining the Projected AWWA Rate. The Second Rate Period Fraction will be calculated based on the actual number of calendar days of the Second Rate Period in determining the Annual Reconciliation Amount.

B. Commodity costs will be allocated based on Joliet’s share of the volumetric use of all facilities used and useful to provide Water service to Joliet, as listed in Subsection 17.5.A (i).
C. The Inflation Index Water Rate and the Fixed Limit Water Rate shall not be used in determining the Charged Water Rate and the Annual Reconciliation Amount while in the Second Rate Period.

D. The Charged Water Rate and the Annual Reconciliation Amount, as calculated in Subsection 17.4.A and 17.4.B, will be adjusted for purposes of the Second Rate Period as follows:

i. the Charged Water Rate will be the Projected AWWA Rate, with certain costs allocated in accordance with Subsections 17.3.A and 17.3.B.

ii. the Capped Audited AWWA Rate will be the Audited AWWA Rate, with certain costs allocated in accordance with Subsections 17.3.A and 17.3.B.

Joliet shall provide estimates of the projected Units of Service and Second Rate Period Fraction to Chicago not later than June 30, 2029. If no estimate is provided to Chicago, Chicago may make the estimates on Joliet's behalf. The Cost of Service Study used to establish the Charged Water Rate for the 2030 Rate Year is expected to be performed using audited information from fiscal year 2028 and is expected to be performed within ninety (90) days of the date that the financial statements for the Chicago Water Fund are published, expected to occur on or about June 30, 2029 such that Chicago provides notification of the rate not less than ninety (90) days prior to the beginning of the following Rate Year. If Joliet determines that the Second Rate Period will begin more than one year after the Targeted Water Delivery Date, then Joliet will provide estimates of the projected Units of Service and Second Rate Period Fraction by June 30th of the year prior to which the Second Rate Period will begin, and Chicago expects to provide notification of the rate for the first year of the Second Rate Period within ninety (90) days of the publication of the financial statements for the Chicago Water Fund published in the year prior to the first year of the Second Rate Period.

Chicago and Joliet agree that the Water Rate to be charged by Chicago to Joliet during the first year of the Second Rate Period shall not exceed the Water Rate calculated pursuant to the audited 2019 Cost of Service study adjusted to the year of the first year of the Second Rate Period in accordance with the Water rate calculation methodology as described in Subsections 17.4.A(ii) and 17.4.A(iii), but which Water Rate increase limitations will only apply to growth in costs attributable to the following (i) administration (including pension expenses that can be attributed pursuant hereto) and (ii) capital expenditures, commodity costs and personnel expenses (including pension expenses that can be attributed pursuant hereto) related to 68th Street/Dunne Crib, Eugene Sawyer Water Purification Plant, and South Tunnel Zone Increases attributable to the Units of Service and differences between estimated and actual costs associated with the construction of the Chicago New Water Supply Infrastructure will not be subject to such limitations.

17.4. Water Rate During the Regular Rate Period. For the Regular Rate Period, each year at the time specified in Subsection 17.5.C, the Charged Water Rate to Joliet in a given year shall be calculated as described in Subsection 17.4.A and shall be subject to an Annual Reconciliation determined as described in Subsection 17.4.B.

A. Determination of Water Rate. The Charged Water Rate will be equal to the lowest of the amounts determined by the following three Water rate calculation methods:

i. The Projected AWWA Rate: A rate for the next year based on the most
recently completed Cost of Service Study as well as projected costs and expenses to provide Water to Joliet and the projected Units of Service required for the next year.

ii.  **Inflation Index Water Rate.** A rate to be determined as follows, to account for inflation using the CPI-W:

The annual *Inflation Index Water Rate* will be calculated by applying the 10-year change in the CPI-W to the Capped Audited AWWA Rate from 10 years prior. In each year of the Regular Rate Period, Chicago will calculate the IIWR by taking the product of:

1. The Capped Audited AWWA Rate from ten years prior, or, if the first year of the Regular Rate Period occurred fewer than eleven years prior, the Audited AWWA Rate from the first year of the Regular Rate Period, and

2. The total change in CPI-W for the most recent available calendar year compared to CPI-W from ten years prior, or, if the first year of the Regular Rate Period occurred less than eleven years prior, the CPI-W from the number of years prior equivalent to the number of years of the Regular Rate Period that have previously occurred minus one.

\[
\text{IIWR}_i = \text{CAAR}_{i-n} \times \left(1 + \frac{\text{CPI-W}_i - \text{CPI-W}_{i-n}}{\text{CPI-W}_{i-n}} \right)
\]

Where,

- \(i\) = the Rate Year of water service for which the IIWR is being calculated.
- \(n = i - \text{less the number of years since the year prior to the Regular Rate Period, but no greater than 10 (n ≤ 10).} \)
- IIWR = the Inflation Index Water Rate
- CAAR = the Capped Audited AWWA Rate.

In the first year of the Regular Rate Period, the Capped Audited AWWA Rate will equal the Audited AWWA Rate from the year prior to the Regular Rate Period.

iii.  **Fixed Lump Water Rate.** The Audited AWWA Rate ("AAR") calculated for the year prior to the year for which a rate is being calculated and multiplied by 105% per Rate Year.

To the extent that the necessary audited or inflation information is not available to determine the Charged Water Rate, then the Parties will meet and confer to determine the most recent available information to be used to calculate the Water rate.
B. **Annual Reconciliation.** Each year at the time specified in Subsection 17.5.B, the Annual Reconciliation for the prior year will be calculated as provided below.

1. The difference between the Capped Audited AWWA Rate for a given year and the Charged Water Rate for that year multiplied by the total Water delivered to Joliet by Chicago in that year is the "Annual Reconciliation Amount" and will be charged to the appropriate Party in the following year.

   \[
   \text{Annual Reconciliation Amount}_i = (\text{CAAR}_i - \text{Charged Water Rate}_i) \times \text{Joliet Water Consumption (kgal)}_i
   \]

   Where,
   
   \( i = \) the Rate Year of water service for which the Annual Reconciliation Amount is being calculated.
   
   \( \text{CAAR} = \) the Capped Audited AWWA Rate.

   If the Capped Audited AWWA Rate for a given year is greater than the Charged Water Rate, then Joliet will pay the Annual Reconciliation Amount to Chicago in the following year. If the Capped Audited AWWA Rate for a given year is less than the Charged Water Rate for that year, then Chicago will pay the Annual Reconciliation Amount to Joliet in the following year. If the difference between the Capped Audited AWWA Rate and the Charged Water Rate for a given year is zero ($0.00), then the Annual Reconciliation Amount is also zero ($0.00) and neither Party will make a payment.

2. The Capped Audited AWWA Rate shall be calculated as follows

   a. If, during the prior Rate Year, a Qualifying Event and Demand Event did not occur, the Capped Audited AWWA Rate for that Rate Year shall be the lowest of the amounts determined by the adjustment options below:

      A. The Audited AWWA Rate; and
      
      B. Inflation Index Water Rate as described in Subsection 17.4.A(11); and
      
      C. Fixed Limit Water Rate as described in Subsection 17.4.A(11).

   b. If, during the prior Rate Year, a Qualifying Event did not occur, but a Demand Event did occur, the Capped Audited AWWA Rate for that Rate Year shall be the sum of

      A. The lowest of the amounts determined by the adjustment options below

      (1) A. An adjusted Audited AWWA Rate, calculated without the change in Units of Service that caused the Demand Event; and
      
      (2) Inflation Index Water Rate as described in Subsection 17.4.A(11); and
(3) Fixed Limit Water Rate as described in Subsection 17.4.A(iii);

Plus

B The difference between

(1) An adjusted Audited AWWA Rate, calculated without the change in Units of Service that caused the Demand Event; and

(2) The Audited AWWA Rate.

3. If a Qualifying Event did occur during the prior year, then the Capped Audited AWWA Rate shall equal the sum of:

A The lowest of the amounts determined by the adjustment options below:

(1) The Audited AWWA Rate, calculated without the costs directly associated with the Qualifying Event; and

(2) Inflation Index Water Rate as described in Subsection 17.4.A(ii), and

(3) Fixed Limit Water Rate as described in Subsection 17.4 A(iii);

Plus

B The difference between

(1) The Audited AWWA Rate; and

(2) The Audited AWWA Rate, calculated without the costs directly associated with the Qualifying Event.

iv To the extent that the necessary audited or inflation information is not available to calculate the Capped Audited AWWA Rate, then the most recent available information will be used, and the Parties will meet and confer to determine whether any additional information should be used to calculate the Capped Audited AWWA Rate. Upon receipt of the audited or inflation information needed to calculate the Capped Audited AWWA Rate, any differences in the two calculations will be included in the next Annual Reconciliation.

v The Annual Reconciliation Amount calculated for year \( i \) will be calculated approximately ninety (90) days prior to the end of year \( i + 1 \) (such end of year being December 31) and would be paid (if it is nonzero) during year \( i + 2 \). For example, the Annual Reconciliation Amount for the year ending December 31, 2031, would be calculated during 2032 after the Audited Financials for the Chicago Water Fund for fiscal year 2031 are available. The Annual Reconciliation Amount for year 2031, having been calculated during 2032, would be payable during year 2033.
The Annual Reconciliation Amount will be calculated in dollars and whole cents. The Annual Reconciliation Amount is payable in twelve equal payments paid concurrently with the monthly bill payments. If a payment is due from Chicago, then Chicago, at its option, may make payment by providing a credit to Joliet’s bill, either in a lump sum on one of the monthly bills or divided into twelve equal credits applied to the monthly bills.

The Annual Reconciliation for any year or partial year in the Second Rate Period will be calculated as described in Section 17.3.

There will be no Annual Reconciliation during the Initial Rate Period.

This Subsection 17.4.B shall survive termination of this Agreement.

To the extent that both a Demand Event and Qualifying Event occur in one rate year, the calculations associated with both the Qualifying Event and the Demand Event will be considered.

For an Emergency Demand Event caused by Joliet for which Joliet requests to be charged a surcharge, Chicago shall assess a surcharge to the Charged Water Rate. The surcharge shall be calculated as described in Section 17.3 for the Second Rate Period except the Units of Service used to establish the surcharge will be based on the additional Units of Service attributable to the Emergency Demand Event caused by Joliet. Differences between actual and projected values associated with the Emergency Demand Event caused by Joliet shall be incorporated into the Annual Reconciliation Amount using the same method used to establish the surcharge.

Chicago and Joliet agree that the Water Rate to be charged by Chicago to Joliet during the first year of the Regular Rate Period shall not exceed the Water Rate calculated pursuant to the audited 2019 Cost of Service study adjusted to the year of the first year of the Regular Rate Period in accordance with the Water rate calculation methodology as described in Subsections 17.4.A(ii) and 17.4.A(iii), but which Water Rate increase limitations will only apply to growth in costs attributable to the following: (i) administration (including pension expenses that can be attributed pursuant hereto) and (ii) capital expenditures, commodity costs and personnel expenses (including pension expenses that can be attributed pursuant hereto) related to 68th Street/Dunne Crib, Eugene Sawyer Water Purification Plant, and South Tunnel Zone. Increases attributable to the Units of Service and differences between estimated and actual costs associated with the construction of the Chicago New Water Supply Infrastructure will not be subject to such limitations.

17.5. Cost of Service

A. Cost of Service Methodology

1. General Methodology. Chicago’s cost of service methodology shall be based on the then generally recognized principles and practices in the M1 Manual, and the Parties agree to continue engagement on the development and interpretation of the M1 Manual in the cost of service methodology. If the M1 Manual is revised in a manner that either Party believes will affect the agreed-upon cost of service methodology, that
Party will notify the other Party and the Parties will meet and confer to discuss the proposed revisions and the impact on the calculation of cost of service.

The cost of service methodology shall establish the Chicago Water Fund’s revenue requirement by the utility-basis approach, and shall allocate such revenue requirements by the commodity-demand method based on the specific facilities used and useful in providing Water service to Joliet. The Parties agree that, as of the Effective Date, these specific facilities are: 68th Street/Dunne Cnb Complex; Eugene Sawyer Water Purification Plant; South Tunnel Zone; Tunnel Connection and Tunnel Extension; Low Service Pump Station; and Chicago Service Valve. The rate base on which any rate of return on rate base will be calculated shall be determined in accordance with the M1 Manual and will include the fair value net plant in service, working capital and construction work in progress

B. Annual Cost of Service Studies.

i. General. A Cost of Service Study shall be completed annually by Chicago based on the cost of service methodology established in Subsection 17.5.A.

The annual Cost of Service Study will be performed using Audited Financials in conjunction with other information available:

a. to estimate Chicago’s projected cost of service to provide Water to Joliet in the Rate Year beginning on the January 1 following the release of the Audited Financials (“Projected AWWA Rate”); and

b. to determine Chicago’s actual cost of service to provide Water to Joliet for the prior Rate Year (“Audited AWWA Rate”).

For the determination of the Projected AWWA Rate for the next Rate Year, Chicago will perform a projected Cost of Service Study using Chicago’s budgeted revenue requirements and projected Units of Service (Joliet’s Units of Service as well as the system wide Units of Service). For determination of the Audited AWWA Rate for the previous Rate Year, Chicago will perform an audited Cost of Service Study using Chicago’s actual revenue requirements, actual system-wide Units of Service of the Chicago Water System, and the actual Units of Service provided to Joliet excluding the effect on the Actual Peaking Factor associated with an Emergency Demand Event. In instances where a Qualifying Event and an Emergency Demand Event conflict, the Qualifying Event controls

ii. Timing. In anticipation of providing Water beginning on the Targeted Water Delivery Date, Chicago will perform Cost of Service Studies based upon Audited Financials of the Chicago Water Fund for each of the years 2024 and 2027. In addition, if Chicago provides cost of service information related to the 2021 Rate Year to another wholesale customer, Chicago will make comparable cost of service information available to Joliet.

The Audited AWWA Rate calculated for the years beginning January 1, 2024 and January 1, 2027 will be calculated solely to fulfill the requirements of this Subsection 17.5.B.

Beginning in 2029 and annually thereafter, Chicago will perform a projected Cost of Service Study for the next Rate Year (2030) and an audited Cost of Service Study for the most recently available Rate Year (2028). If, prior to the performance of the audited
Cost of Service Study for 2028, Joliet determines that the Second Rate Period will begin more than one year after the Targeted Water Delivery Date, then Chicago will not be obligated to perform a Cost of Service Study until the later of the 2029 Rate Year or the Rate Year two years prior to the first year in which the Second Rate Period is estimated to begin.

An audited Cost of Service Study for the previous Rate Year will be performed within ninety (90) days following the publication of the Audited Financials of the Chicago Water Fund for the previous fiscal year, which is expected to be on or about June 30 of the year following the year described in each year's Audited Financials. The Projected AWWA Rate calculated based on a projected Cost of Service Study for the following Rate Year will be provided to Joliet no later than [October 3] of each year, which will be [ninety] [(90)] days prior to the first day of the next year. Joliet shall provide estimated Units of Service for the relevant Rate Year to Chicago not later than June 30 of the prior year beginning with 2030. If no estimate is provided to Chicago, Chicago may use the most recent projections provided pursuant to Subsection 12.8(A) or may make the estimates on Joliet’s behalf.

C. Joliet Review of Chicago’s Annual Cost-of-Service Study.

i. Timing of Reviews. Annually, Joliet will perform a review of Chicago’s Annual Cost of Service Study to understand and verify the Audited AWWA Rate for the previous Rate Year, and resulting Annual Reconciliation (as applicable), as well as the Projected AWWA Rate for the next Rate year. After receipt of the necessary information (anticipated to be October 3rd as noted in Subsection 17.5.B.i), Joliet will have 60 days to review the information and provide comments to Chicago. Chicago shall work in good faith to resolve the comments prior to first day of the next year. Any unresolved comments which affect the projected Cost of Service Study and resulting Projected AWWA Rate will either be addressed mid-year (July 1st) or incorporated into the Audited AWWA Rate and Annual Reconciliation at the end of the Rate Year.

In anticipation of providing Water beginning on the Targeted Water Delivery Date, Joliet will also perform a review of Chicago’s Cost of Service Studies based upon Audited Financials of the Chicago Water Fund for each of the years 2024 and 2027. In addition, in 2029, Joliet will perform a review of the Cost of Service Study based on Audited Financials of the Chicago Water Fund in 2028 as well as the Projected AWWA Rate for 2030.

ii. Information to be Provided by Chicago. Chicago shall provide to Joliet the following information to allow for the review of the annual Cost of Service Study which establishes the Audited AWWA Rate as well as the Projected Water Rate.

a. Memorandum or summary report from Chicago documenting:

I. Any changes in cost allocation methods or processes;

II. Any changes in data sources for key inputs;

III. Any changes in budget or actual cost figures with significant effect on Joliet’s rate contributing to a change in Joliet’s rate of more than five (5) percent.
IV. A summary of the rate update process and results; and

V. Audited financial statements including Chicago’s Comprehensive Annual Financial Report and an independent auditor’s report.


Timing of Audits. Joliet may, at its option, conduct a comprehensive audit of the Cost of Service Study not more often than once every five years, and, in addition, for any year in which the Projected AWWA Rate to Joliet increases by five (5) percent or more over the prior year.

In anticipation of providing Water beginning on the Targeted Water Delivery Date, Joliet will also perform a comprehensive audit of Chicago’s Cost of Service Studies based upon Audited Financials of the Chicago Water Fund for 2024 and 2027.

After receipt of the necessary information (anticipated to be October 3rd as noted in Subsection 17.5.B ii), Joliet will have 150 days to review the information and provide comments to Chicago. Chicago shall work in good faith to resolve the comments within 45 days after receipt of Joliet’s comments. It is understood that this timing extends beyond the Rate Review Period. Any comments which affect the projected Cost of Service Study and resulting Projected AWWA Rate will either be addressed mid-year (July 1st) or incorporated into the Audited AWWA Rate and Annual Reconciliation at the end of the Rate Year.

Information to be Provided by Chicago. As part of this comprehensive audit and any other audit under this Agreement, Chicago shall provide to Joliet all reasonable information and back-up materials used to perform the Cost of Service Study and allow Joliet to make a complete, open-book review of the Cost of Service Study, the various elements of operations and maintenance as well as assessment of the condition and valuation of all capital facilities included in the Cost of Service Study.

The Parties acknowledge that as of the Effective Date, there is certain information that is not yet available relating to certain elements of the cost of service that are needed to complete the audit of the Cost of Service Study. Chicago agrees that to the extent practicable based on the information available to Chicago, Chicago shall provide such reasonable information to enable Joliet to perform audits of the Cost of Service Study, such that cost of service can be verified for conformance to the M1 Manual. Chicago acknowledges that as part of its annual audits of the City of Chicago Department of Water Management Water Fund beginning no later than December 31, 2027 or such information being recorded such that it is included in the 2028 calendar/fiscal year audit, Chicago shall make reasonable efforts to provide the information relating to the elements of the cost of service needed to complete the Cost of Service Study and audit.

The Parties will meet and confer on any differences in the application of the methodology and calculations to allow Joliet to establish its rates to its retail customers and Subsequent Purchasers.

E. Certain Aspects of Cost of Service. The Parties acknowledge and agree that Joliet’s cost of service will exclude, without limitation, and to the extent practicable based on the information available to Chicago, the costs incurred by Chicago, as determined by Chicago’ (i) to
replace the lead service lines of Chicago's retail Water customers; (ii) to install new or
replacement Water meters of Chicago's retail Water customers; (iii) to replace Chicago's Water
transmission and distribution mains (other than those facilities listed in Subsection 17.5.A); (iv)
associated with administrative and all other functions, activities, costs and expenses performed
or incurred by DWM or other Chicago departments that are directly attributable to Chicago's retail
customers, (v) to pay amounts in the revenue requirement for pay-as-you-go Capital
Improvements if such improvements will be added to the fair value of infrastructure serving Joliet,
(vi) to pay any amounts due to Chicago employees who do not perform work that pertains to the
elements of Water service and delivery used to provide Water service to Joliet, including without
limitation for wages, salaries, employee benefits, and pension contributions; and (vii) to pay any
amounts due to pension funds for Chicago employees that are attributable to work performed
prior to the Targeted Water Delivery Date or any contributions made to those pension funds to
cover work performed prior to the Water Delivery Date. The Parties agree that, acknowledging
the specific principles and limitations outlined in this Article 17, Chicago has the right to set its
own water rates for its customers.

F. Uniformity of Methodology. Except for the clauses in Subsection 17.5.E(iii) and
Subsection 17.5.E(vii), the methodology described in this Section 17.2 shall be similar in material
respects to the methodology used in the calculation of water rates for other Chicago Wholesale
Customers that are charged based upon a cost of service methodology at that time, but only as
practicable and based upon Chicago's reasonable efforts.

17.6 Resolution of Article 17 Disputes. The Parties agree that if Joliet disagrees with
Chicago's application of the methodology in a Cost of Service Study described in this Article 17
or the application of any other provision in this Article 17, Joliet shall notify Chicago, within [sixty
(60)] days following the date on which Joliet first became aware of the methodology or application
of this Article being disputed, that it is invoking the dispute resolution procedure described in
Section 20.17.

17.7 Payment From Revenues. This Agreement shall be a continuing valid and binding
obligation of Joliet payable from Revenues for the Initial Term and any Renewal Term.

17.8 Charges to Joliet Customers. Joliet covenants and agrees to charge such rate or
rates for the furnishing of Water to Joliet Customers so that the Revenues shall at all times be
sufficient to pay in full all amounts due to Chicago from Joliet hereunder and in compliance with
Section 12.7.

17.9 Exceptions to the Water Rate. Notwithstanding any provision in this Agreement to
the contrary, during the Initial Rate Period, the Second Rate Period or the Regular Rate Period,
Joliet shall pay the rate specified below for each of the types of Water listed below:

a. If Joliet obtains any Water for domestic use at any portion of the Joliet New Water
Supply Infrastructure located within the Chicago corporate boundaries, and that Water is delivered
through Chicago's Water distribution system and not through the Point of Demarcation, Joliet shall
establish a retail Water account with Chicago and pay the associated retail Water rate charged
to Chicago Retail Customers as set from time to time by ordinance and all applicable taxes and fees
imposed upon Chicago Retail Customers.

b. During the construction period, if Joliet or its contractors or subcontractors working on
behalf of Joliet require Hydrant Water on a temporary basis as described in Subsection 11.4.A(ii),
Joliet shall be, or shall require its contractors and subcontractors taking out the permit to be,
ARTICLE 18. SEWER RATES.

18.1. Sewer Rates. The amounts due for sewer service will be based on the following:

A. If Joliet obtains any Water for domestic use at any portion of the Joliet New Water Supply Infrastructure located within the Chicago corporate boundaries, and that Water is delivered through Chicago's Water distribution system and not through the Point of Demarcation, Joliet shall establish a retail Water account with Chicago and pay for associated sewer service for the facility covered by the account, as provided in applicable Law (as of the Effective Date, this includes Section 3-12-020 of the Municipal Code of Chicago). For such sewer service, Joliet shall pay the then-current rate charged to metered customers within the Chicago corporate limits as set from time to time by ordinance and all applicable taxes and fees imposed upon Chicago Retail Customers.

B. Except for sewer charges pursuant to Subsection 18.1A, in the event of a discharge of Water into the Chicago sewer system from any portion of the Joliet New Water Supply Infrastructure, including but not limited to, any overflow from the Suction Well, Joliet shall be responsible for metering such discharge or otherwise providing to Chicago a good faith estimate to the greatest degree of accuracy practicable. Joliet shall provide such meter reading or estimate to Chicago within [thirty] (30) days after such a discharge. If no meter reading or estimate is provided within [thirty] (30) days, Chicago may make a good faith estimate of the quantity discharged. Such discharges to the Chicago sewer system shall be charged in the manner provided for in applicable Law (as of the Effective Date, this includes Section 3-12-020(b) of the Municipal Code of Chicago). If Joliet caused the discharge, Joliet shall pay the associated sewer charges. If Chicago caused the discharge, Chicago shall pay the associated sewer charges. If neither Party caused the discharge, or if the cause of the discharge cannot be determined, then the Parties shall each pay an equal share of the associated charges.

ARTICLE 19. BILLING.

19.1. Frequency. Chicago shall bill Joliet not more frequently than once monthly for: (i) all wholesale Water furnished to Joliet pursuant to this Agreement; and (ii) all other services provided to Joliet under this Agreement, including retail Water service and sewer service.

19.2 Basis. Quantities on invoices to Joliet shall be based on the following:

A. For the purchase of wholesale Water, quantities shall be based on readings of the Measuring Devices at the Point of Measurement to establish the quantity of Water delivered to Joliet. Readings may be adjusted as provided for in Article 16.

B. For the purchase of retail Water quantities shall be based on readings of the metering devices required for purchase of retail Water.
C. For the retail use of the Chicago sewer system, quantities shall be based on readings of the metering devices required for the purchase of retail Water.

D. For discharges into the Chicago sewer system pursuant to Subsection 18 1.B, quantities shall be based on readings or estimates as described in Subsection 18.2.B.

19.3. Form. Each wholesale invoice shall indicate the total amount of wholesale Water delivered and include the readings on the Measuring Devices at the beginning and end of each billing period, and shall specify the Water Rate and such adjustments as are applicable, including amounts of the Annual Reconciliation Amount to be applied for the billing period pursuant to Subsection 17 2A. In addition, separate invoices shall be provided for fees and charges described in Subsections 19.2.B, 19.2.C and 19.2.D.

19.4. Payment Method. Joliet shall timely (as noted on the invoices) pay for Water by a method mutually agreed to by the parties and without causing Chicago to incur any costs associated with said payment.

19.5. Late Payment Penalty. Joliet shall be charged a Late Penalty for late payment of invoices not greater than that charged to metered Chicago Retail Customers inside the Chicago corporate boundaries as provided by applicable Law (applicable Law as of the Effective Date includes Section 11-12-420 of the Municipal Code of Chicago, which provides that the Late Penalty is assessed at one and one fourth percent (1.25%) per month after a payment is not received within twenty-four (24) days of the date the bill was sent).

19.6. Resolution of Billing Disputes. The Parties agree that If Joliet disagrees with the quantities, charges or other aspects of any invoice from Chicago under this Article 19 or the application of any other provision in this Article [19], Joliet shall notify Chicago, within [sixty (60)] days following the date on which Joliet first became aware of the error or issue under this Article 19 being disputed, that it is invoking the dispute resolution procedure described in Section 20.18.

ARTICLE 20. EVENTS OF DEFAULTS AND REMEDIES

20.1. Joliet Defaults. The occurrence and continuance of any one or more of the following events shall be a Joliet default ("Joliet Default") under this Agreement:

A. the failure of Joliet to pay in full the amount due and shown on any Water invoice due and owing on the due date for such payment as indicated on such Water invoice or any other payment obligations under this Agreement;

B. any default by Joliet under any Easement which remains uncured by Joliet under the terms of said Easement;

C. the failure of Joliet or any Joliet Contractor to maintain insurance coverage as provided in Article 21 of this Agreement;

D. Joliet's non-compliance in the performance or observance of any obligation, condition, covenant, provision or term contained in this Agreement that causes injury to individuals, damage to property including without limitation, the Chicago Water System, or impairs the operation of the Chicago Water System or its ability to provide Water;

E. any material representation, warranty or statement made by or on behalf
of Joliet in this Agreement shall prove to be untrue in any material respect on the date as of which it was made or deemed made; and

F. if Joliet, (i) admits, in writing, that it is unable to pay its debts as such become due, (ii) makes an assignment for the benefit of creditors, (iii) files a voluntary petition under Title 9 of the U.S. Code, or if such petition is filed against it and an order for relief is entered, or if Joliet files any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future U.S. bankruptcy code or any other present or future applicable Law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Joliet, or of all or any substantial part of its properties (in each case, to the extent applicable to a municipality), or (iv) takes any action in furtherance of any action described in this [Subsection 20.1(f)]; or if within 90 days after the commencement of any proceeding against Joliet seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future U.S. bankruptcy code or any other present or future applicable Law, such proceeding has not been dismissed, or if, within 90 days after the appointment, without the consent or acquiescence of Joliet, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Joliet or of all or any substantial part of its properties (in each case, to the extent applicable to a municipality), such appointment has not been vacated or stayed on appeal or otherwise, or if, within 90 days after the expiration of any such stay, such appointment has not been vacated.

G. Joliet's willful or reckless failure to provide notice, as required by Section 27.1, in the event of an emergency due to a failure, malfunction, maintenance or catastrophic event that will materially impact the Chicago Water System or cause damage to property owned by Chicago, CPD, or the Board of Education of the City of Chicago.

20.2. Covenant Default. Any non-compliance by Joliet in the performance or observance of any obligation, condition, covenant, provision or term contained in this Agreement other than a default under Subsection 20.1A will constitute a covenant default ("Covenant Default") by Joliet.

20.3. Default for Failure to Pay. The occurrence and continuance of a Joliet Default under Subsection 20.1A will constitute a default for failure to pay ("Default for Failure to Pay").

20.4. Notice of Default to Joliet. Chicago will provide Joliet written notice to Joliet for a Covenant Default or a Default for Failure to Pay.

20.5. Joliet Default Cure Periods.

A. Cure Period for Covenant Default. Joliet shall have one hundred and eighty (180) days after the date of receipt of a notice of a Covenant Default ("Initial Cure Period") to remedy the subject Covenant Default. If any such non-compliance by Joliet cannot reasonably be remedied or resolved within the Initial Cure Period, and if Chicago determines that Joliet shall have commenced to remedy such non-compliance within the Initial Cure Period and is thereafter continuing to diligently effect such remedy, then Chicago may extend the Initial Cure Period for an additional ninety (90) days ("Second Cure Period") from the end of the Initial Cure Period. During the Initial Cure Period, the Parties will endeavor to negotiate in good faith for a resolution of the subject Covenant Default.

B. Cure Period for Default for Failure to Pay. Joliet shall have one hundred
and eighty (180) days after the date of receipt of a notice of a Default for Failure to Pay ("Initial Cure Period for Payment") to make payments of all amounts due under the Water invoices or any other payment obligations under this Agreement.

C Specified Joliet Defaults. Upon the occurrence of any Joliet Default under Subsections 20.1.C or 20.1.G, Chicago shall have the right to terminate this Agreement following the Cure Periods specified in Subsection 20.5.A, and prior to the expiration of such Cure Periods, Chicago shall have the other remedies specified in this Article 20.

20.6. Chicago Remedies for Joliet Covenant Defaults. Upon the occurrence of a Covenant Default, if either Joliet has not demonstrated diligence in curing the Covenant Default during the Initial Cure Period or has not cured the Covenant Default during the Second Cure Period, Chicago may at Chicago's sole discretion, exercise any one or more of the following rights and remedies, as applicable, or by law provided including, without limitation, and as follows:

A Chicago may issue to Joliet a written notice of Termination as per the provisions of Article 6 of this Agreement and Terminate this Agreement either at the end of the Initial Cure Period or at the end of the Second Cure Period, as applicable; and

B. Chicago may suspend or shut off the supply of Water to Joliet either at the end of the Initial Cure Period or at the end of the Second Cure Period, as applicable.

C. Chicago may order Joliet to immediately cease and to cause the CMAR to immediately cease all work relating to this Agreement.

D. In the event of Joliet's Covenant Default under Article [14], [Section 14.10], Chicago shall have among the other remedies set forth in Article [20], the right to require Joliet to pay costs and expenses incurred by Chicago in defending any action before the Internal Revenue Service in connection with any regulatory inquiry, action or proceeding and to reimburse Chicago for any penalties imposed relating to said actions that is a result of said Covenant Default.

20.7. Remedies for Default for Failure to Pay. In the event of a Default for Failure to Pay that remains uncured at the end of the Initial Cure Period for Payment, Chicago may at Chicago's sole discretion, exercise any one or more of the following rights and remedies, as applicable, or by law provided including, without limitation, and as follows:

A. Chicago will have first priority over monies in any operations and maintenance funds relating to Joliet's Water System for payment of amounts currently due and owing for Chicago Water invoices.

B. Chicago and Joliet shall establish an escrow account ("Escrow Account") to which Joliet will deposit all monies from any Joliet Water System General Fund or any other revenue surplus fund relating to the Joliet Water System for the payment of past due amounts due and owing from Water invoices including any applicable Interest and Late Penalties.

   i The Escrow Account shall be managed in trust by an Escrow Agent chosen by Chicago, pursuant to the terms of an Escrow Agreement which shall be in a form satisfactory to Chicago, and shall provide that all fees, costs, and expenses associated with the Escrow Agreement shall be paid by Joliet.

   ii The Escrow Account will remain in place for the period from its establishment until (a) Joliet has fully paid past due amounts due and owing from Water invoices
including any applicable Interest and Late Penalties; and (b) Joliet remains current in the payment of Water invoices for a period of ninety (90) consecutive calendar days of the date on which all past-due amounts owing from Water invoices have been paid to Chicago ("Escrow Period") after which the Escrow Account will be closed and any remaining amounts on deposit will be paid to Joliet or at the direction of Joliet.

iii The Escrow Agent shall disburse funds on a monthly basis from the Escrow Account during the Escrow Period in the following order and as follows

a. first; for the payment to Chicago of past due amounts due and owing from Water invoices including any applicable Interest and Late Penalties, and

b. second; to Joliet or at the direction of Joliet.

iv Chicago and Joliet will jointly administer deposits and disbursements from the Escrow Account, subject to each Party's obligations under Section 20 7.

20 8. Escrow Period in Excess of Nine Months. In the event the Escrow Period exceeds nine (9) months from the date of the beginning of an Escrow Period, Chicago will have the option to exercise one or more of the following remedies:

A. Termination of Agreement Chicago may issue to Joliet a written notice of Termination as per the provisions of Article 6 of this Agreement; and

B. Suspend or Cease Providing Water. Chicago may suspend or shut off the supply of Water to Joliet.

20.9 Disposition of the Joliet New Water Supply Infrastructure Upon Termination Due to Joliet Default. In the event of a Termination due to a Joliet Default, the provisions under Article 7 will apply.

20.10. Fees, Costs, and Expenses. If there is a Joliet Default and Chicago should employ attorneys or incur other costs and expenses for the collection of the payments due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of Joliet contained in this Agreement, Joliet agrees that it will, on demand therefor, pay to Chicago the reasonable fees and expenses of such attorneys and such other reasonable fees, costs, and expenses so incurred by Chicago.

20 11. Available Remedies. In addition to the remedies set forth above, and notwithstanding the above provisions, Chicago may pursue any available remedy in any courts within the venues as provided in Section [34] of this Agreement by any action or proceeding at law or in equity, including, but not limited to, damages, injunctive relief and the specific performance of the provisions contained in this Agreement

20 12 Remedies Cumulative and Concurrent. The remedies of Chicago, as provided in this Agreement shall be cumulative and concurrent and may be pursued singularly, successively or together and may be exercised as often as occasion therefor shall arise and shall not be exclusive but shall be in addition to every other remedy now or hereafter existing at law, in equity, or by statute. Except as otherwise specifically required in this Agreement, notice of the exercise of any right or remedy granted to Chicago in this Agreement is not required to be given
20.13. **Failure to Exercise Remedy Not a Waiver** The failure of Chicago for any period of time or on more than one occasion, to exercise any remedy available to Chicago as described in this Agreement shall not constitute a waiver of the right to exercise the same at any time thereafter or in the event of any subsequent Joliet Default. No act of omission or commission of Chicago, including specifically any discontinued or abandoned proceeding, or failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of the same; any such waiver or release is to be effected only through a written document executed by Chicago and then only to the extent specifically recited in said written document.

20.14. **Chicago Default.** The occurrence and continuance of any one or more of the following events shall be a Chicago default ("Chicago Default") under this Agreement:

A. any material representation, warranty or statement made by or on behalf of Chicago in this Agreement shall prove to be untrue in any material respect on the date as of which it was made or deemed made;

B. Chicago’s non-compliance in the performance or observance of any obligation, condition, covenant, provision or term contained in this Agreement that causes damage to Joliet property or impairs the operation of the Joliet Water System;

C. the failure of Chicago or any Chicago Contractor to maintain insurance coverage as provided in Article 21;

D. Chicago, without the prior written consent of Joliet, (A) sells, or executes a contract to sell, the Chicago Water System or (B) assigns, or executes a contract to assign, this Agreement, and

E. Chicago’s willful or reckless failure to provide notice in the event of an emergency due to a failure, malfunction, maintenance or catastrophic event that will materially impact the Joliet Water System or cause damage to property owned by Joliet.

20.15. **Chicago Default Cure Periods.** Chicago shall have one hundred and eighty (180) days after the date of receipt of a notice of a Default ("Initial Cure Period") to remedy the subject Default. If any such non-compliance by Chicago cannot reasonably be remedied or resolved within the Initial Cure Period, and if Joliet determines that Chicago shall have commenced to remedy such non-compliance within the Initial Cure Period and is thereafter continuing to diligently effect such remedy, then Joliet may extend the Initial Cure Period for an additional ninety (90) days ("Second Cure Period") from the end of the Initial Cure Period. During the Initial Cure Period, the Parties will endeavor to negotiate in good faith for a resolution of the subject Covenant Default.

20.16. **Specified Chicago Defaults.** Upon the occurrence of any Chicago Default under Subsections 20.14.C or 20.14.E, Joliet shall have the right to terminate this Agreement following the Cure Period specified in Subsection 20.15 and prior to the expiration of such Cure Periods. Joliet shall have the other remedies specified in this Article 20.

20.17. **Joliet Remedies upon Chicago Default.** Upon the occurrence of a Chicago Default, Joliet may, by written notice to Chicago, declare a Chicago Default and at Joliet’s sole discretion, may exercise any one or more of the following rights and remedies, as applicable, or by law provided including, without limitation:

A. **Termination for Chicago Default.** Joliet may issue to Chicago a written
notice of Termination under Section 6.4 of this Agreement, Terminate this Agreement, at which time the provisions with respect to Termination including, but not limited to Article 7 of this Agreement shall apply.

B. Fees and Expenses. If there is a Chicago Default under any of the provisions hereof and Joliet should employ attorneys or incur other costs and expenses for the collection of the payments due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of Chicago contained in this Agreement, Chicago agrees that it will, on demand therefor, pay to Joliet the reasonable fees and expenses of such attorneys and such other reasonable costs and expenses so incurred by Joliet.

C. Available Remedies. Joliet may pursue any available remedy in any courts within the venues as provided in Article 31 of this Agreement by any action or proceeding at law or in equity, including, but not limited to, damages, injunctive relief and the specific performance of the provisions contained in this Agreement.

D. Remedies Cumulative and Concurrent. The remedies of Joliet, as provided in this Agreement shall be cumulative and concurrent and may be pursued singularly, successively or together and may be exercised as often as occasion therefor shall arise and shall not be exclusive but shall be in addition to every other remedy now or hereafter existing at law, in equity, or by statute. Except as otherwise specifically required herein, notice of the exercise of any right or remedy granted to Joliet in this Agreement is not required to be given.

E. Failure to Exercise Remedy Not a Waiver. The failure of Joliet for any period of time or on more than one occasion, to exercise any remedy available to Joliet as described in this Agreement shall not constitute a waiver of the right to exercise the same at any time thereafter or in the event of any subsequent Chicago Default. No act of omission or commission of Joliet, including specifically any discontinued or abandoned proceeding, or the failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of the same; any such waiver or release is to be effected only through a written document executed by Joliet and then only to the extent specifically recited in said written document.

20.18. Article 20 to Survive Termination. Article 20 shall survive termination of this Agreement.

20.19. Dispute Resolution.

A. Negotiation. The Parties desire to avoid and settle without litigation any future disputes that may arise between them relative to this Agreement. Accordingly, the Parties agree to engage in good faith negotiations to resolve any such dispute. The process in this Subsection 20.18 shall apply and be complied with prior to the exercise of other provisions in this Article 20.

B. Notice and Meeting. If any Party has a dispute about a violation, interpretation, or application of a provision of this Agreement, or a dispute regarding a Party's failure to comply with this Agreement, then that Party may serve on the other Party notice, by Certified Mail or personal service and, if desired by the Parties, may also be given by electronic communications, setting forth in detail the dispute, the provisions of this Agreement to which the dispute is related, and all facts and circumstances pertinent to the dispute. The Parties then, within seven (7) days, shall schedule a date certain for representatives of the Parties to meet in a conference to resolve the dispute. Such
conference shall be conducted within thirty (30) days after notice of the dispute has been delivered as provided in this Subsection.

i. **Cost of Service Methodology Issues.** If the Parties are unable to reach agreement on a dispute about the application or interpretation of the M1 Manual in the preparation of a Cost of Service Study provided by Chicago under this Agreement, then the Parties agree that, in addition to their own water rate and waterworks valuation consultant, they may jointly retain a mutually acceptable independent, neutral, reputable and qualified water rates and waterworks evaluation consultant, who may be part of a reputable and qualified engineering firm. Such consultant and firm shall not be in a contractual or business relationship with either Chicago or Joliet other than for the work assisting with this Agreement. The role of the independent consultant shall be to meet and confer with the consultants retained by each Party for the purpose of clarifying the M1 Manual and enabling the Parties to reach agreement on the disputed components of the Cost of Service methodology. The total expense incurred with respect to said independent consultant shall be paid by the Parties on a 50/50 basis.

ii. **Disputed Invoices and Payments.** In disputes regarding invoices, billing and payments, Joliet shall provide to Chicago the charges that are disputed, the grounds for the dispute, and amount in dispute.

C. **Continuation of Services and Payments.** During all negotiation proceedings and any subsequent proceedings provided for in this Subsection [20.18], Chicago and Joliet shall continue to fulfill the terms of this Agreement to the fullest extent possible. Chicago shall continue to provide Water to Joliet as provided by this Agreement. Joliet shall continue to make all payments to Chicago for Water as provided by this Agreement, including all payments about which Joliet has or may have a dispute.

D. **Remedies.** Provided that the Parties have met their obligations under this Section [20.18], the Parties shall be entitled to pursue such remedies as may be available in law and equity. The requirements of Subsection [20.18] shall be waived in the event of either significant risk of irreparable harm or significant jeopardy to public health and safety.

**ARTICLE 21. INSURANCE COVERAGE**

**21.1. Insurance Coverage Requirements - Generally.**

A. **Insurance Requirements.** The Parties will provide insurance coverage at their own expense as set forth in this Article 21. Insurance coverage requirements are based on the four phases of activity and operations (each a "Phase") of the Parties as described in Section [21.4] in the performance of this Agreement.

B. **With respect to the limits of liability provided in Subsections 21.3A and 21.3B, each Party and each Party's respective Contractor, as applicable may use a combination of primary and excess/umbrella policy/policies to satisfy the limits of liability required in this Agreement. The excess/umbrella policy/policies set forth in Subsections 21.3A.v and 21.3B.v, must provide the same coverages/follow form as the underlying policy/policies.**

21.2 **Determination of Dates of the Beginning and End of Each Phase.** At least ninety (90) days before either Party determines that its activities within a certain Phase will commence (the "Phase Start Date") or will be completed (the "Phase End Date") other than the post-
Termination Period The Parties will coordinate with each other to identify and confirm the Phase Start Date and Phase End Date for each Phase as the Parties perform their obligations under this Agreement. Generally, each Phase Start Date will commence at the beginning of the day after the Phase End Date, and each Phase End Date will terminate at the end of the relevant Phase End Date. In addition, the Parties agree that during Phase III, either Party may desire to perform Maintenance or Capital Improvements not originally anticipated at the applicable Phase Start Date that will require additional insurance coverage requirements.


A Phase I Phase I will be the period beginning on the Effective Date and ending on the day before the date construction begins on the Project Elements to be constructed by Joliet, and as determined by the Parties under Subsection 21.2 No later than thirty (30) days from the Effective Date, Joliet must provide or cause Joliet’s Contractor to provide to Chicago the following insurance coverage and requirements for the duration of Phase I. Joliet agrees that during Phase I, Joliet will not perform any geotechnical or construction work, and in the event Joliet performs any geotechnical or construction work, Joliet will have begun Phase II and the insurance coverage requirements of Phase II will apply.

1. **Workers Compensation and Employers Liability Insurance**

Joliet shall provide and maintain or cause Joliet’s Contractor to provide and maintain Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a work or service under this Agreement and Employers Liability coverage with limits not less than $1,000,000 each accident, $1,000,000 illness or disease-policy limit, and $1,000,000 disease-each employee, or the full per occurrence limits of the policy, whichever is greater. Coverage must include but not be limited to: other state endorsement, voluntary compensation and alternate employer, when applicable.

II. **Commercial General Liability Insurance (Primary and Umbrella).**

Joliet shall provide and maintain or cause Joliet’s Contractor to provide and maintain Commercial General Liability Insurance or equivalent which must be maintained with limits not less than $2,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater, for bodily injury, personal injury, and property damage liability. Coverages must include but not be limited to the following: All premises and operations, products/completed (for a minimum of two (2) years following the completion of any work done during Phase I, explosion, collapse, underground, separation of insureds, defense, contractual liability (not to include endorsement CG 21 39 or equivalent), no exclusion for damage to work performed by Subcontractors, any limitation of coverage for designated premises or project is not permitted (not to include endorsement CG 21 44 or equivalent) and any endorsement modifying or deleting the exception to the Employer’s Liability exclusion is not permitted. If a general aggregate limit applies, the general aggregate must apply per project/location and reinstate annually if applicable, or Joliet or Joliet’s Contractor may obtain separate insurance to provide the required limits which will not be subject to depletion because of claims arising out of any other work or activity of Joliet’s Contractor. If a general aggregate limit applies to products/completed operations, the general aggregate limits must apply per project and once per policy period.

Chicago must be provided additional insured status with respect to liability arising out of Joliet’s Contractor’s work, services or operations and completed operations performed on behalf of Chicago. Such additional insured coverage must be provided on ISO form CG 2010 and CG 2037 or on an endorsement form at least as broad for ongoing operations and completed operations
Chicago's additional insured status must apply to liability and defense of suits arising out of Joliet's Contractor's acts or omissions, whether such liability is attributable to Joliet's Contractor or to Chicago. The full policy limits and scope of protection also will apply to Chicago as an additional insured, even if they exceed Chicago's minimum limits required in this Agreement. Joliet's or Joliet's Contractor's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Chicago.

iii. Railroad Protective Liability Insurance

If any work is to be done within fifty (50) feet of or on railroad or transit property, Joliet shall provide and maintain or cause Joliet's Contractor to provide and maintain with respect to the operations that Joliet's Contractor or Joliet's Subcontractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits not less than the requirement of the operating railroad 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. Joliet's or Joliet's Railroad Protective Liability Insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Chicago.

iv. Commercial Automobile Liability Insurance (Primary and Umbrella)

Joliet shall provide and maintain or cause Joliet's Contractor to provide and maintain Commercial Automobile Liability Insurance with limits not less than $1,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater, for bodily injury and property damage. Coverage must include but not be limited to the following: ownership, maintenance, or use of any auto whether owned, leased, non-owned or hired used in the performance of the work or devices, both on and off the location sites of the Project Elements to be constructed by Joliet, including loading and unloading. Chicago is to be named as an additional insured on a primary, non-contributory basis. Joliet's or Joliet's Commercial Automobile Liability Insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Chicago.

v. Excess/Umbrella Insurance

Joliet shall provide and maintain or cause Joliet's Contractor to provide and maintain Excess/Umbrella Liability Insurance with limits not less than $5,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater. The policy/policies must provide the same coverages/follow form as the underlying Commercial General Liability, Commercial Automobile Liability, Employers Liability and Completed Operations coverage required herein and expressly provide that the excess or umbrella policy/policies will drop down over reduced and/or exhausted aggregate limit, if any, of the underlying insurance. If a general aggregate limit applies the general aggregate must apply per project/location. The Excess/Umbrella policy/policies must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Chicago.

vi. Contractors Pollution Liability Insurance

When any work is performed which may cause a pollution exposure, Joliet shall provide and maintain or cause Joliet's Contractors to provide and maintain Contractors Pollution Liability Insurance, covering bodily injury, property damage and other losses caused by pollution condition with limits not less than $5,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with
or precede start of work performed pursuant to this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. Chicago is to be named as an additional insured on a primary, non-contributory basis. Contractors Pollution Liability Insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Chicago.

B. Phase II Phase II will be the period beginning on the earliest date on which construction begins on the Project Elements either by Chicago or Joliet and ends on the later of (i) New Water Supply Infrastructure Completion Date or (ii) the final day of final completion the New Water Supply Infrastructure, and as determined by the Parties under Section 21.2. Thirty (30) days prior to the Phase II Start Date, Joliet must provide to Chicago and Chicago must provide to Joliet the following insurance coverage and requirements for the duration of Phase II. At least thirty (30) days before the Phase Start Date for Phase II for each Party, Joliet must provide to Chicago and Chicago must provide to Joliet the following insurance coverage and requirements for the duration of Phase II.

i. Workers Compensation and Employers Liability Insurance.

Each Party and shall provide and maintain or cause their respective Contractor to provide and maintain Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a work or service under this Agreement and Employers Liability coverage with limits not less than $1,000,000 each accident, $1,000,000 illness or disease-policy limit, and $1,000,000 disease-each employee, or the full per occurrence limits of the policy, whichever is greater. Coverage must include but not be limited to other state endorsement, voluntary compensation and alternate employer, when applicable.

ii. Commercial General Liability Insurance (Primary and Umbrella)

Joliet and Chicago shall provide and maintain or cause their respective Contractor to provide and maintain Commercial General Liability Insurance or equivalent which must be maintained with limits not less than $2,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater, for bodily injury, personal injury, and property damage liability. Coverages must include but not be limited to the following. All premises and operations, products/completed operations, under, over, adjacent, and completed operations performed on behalf or at the request of the flowing: All premises and operations of the policy, premises or location is not permitted (not to include endorsement CG 21 39 or equivalent), no exclusion for damage to work performed by Subcontractors, any limitation of coverage for designated premises or project is not permitted (not to include endorsement CG 21 44 or equivalent) and any endorsement modifying or deleting the exception to the Employer's Liability exclusion is not permitted. If a general aggregate limit applies, the general aggregate must apply per project/location and reinstate annually if applicable, or each Party or their Contractor may obtain separate insurance to provide the required limits which will not be subject to depletion because of claims arising out of any other work or activity of each Party's Contractor. If a general aggregate limit applies to products/completed operations, the general aggregate limits must apply per project and once per policy period.

Chicago must be provided additional insured status with respect to liability arising out of Joliet’s Contractor's work, services or operations and completed operations performed on behalf of Chicago. Such additional insured coverage must be provided on ISO form CG 2010 and CG 2037 or on an endorsement form at least as broad for ongoing operations and completed operations. Chicago's additional insured status must apply to liability and defense of suits arising out of Joliet's Contractor's acts or omissions, whether such liability is attributable to Joliet's Contractor or to
Chicago. The full policy limits and scope of protection also will apply to Chicago as an additional insured, even if they exceed Chicago's minimum limits required in this Agreement. Joliet's or Joliet's Contractor's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Chicago.

Joliet must be provided additional insured status with respect to liability arising out of Chicago's Contractor's work, services or operations and completed operations performed on behalf of Joliet. Such additional insured coverage must be provided on ISO form CG 2010 and CG 2037 or on an endorsement form at least as broad for ongoing operations and completed operations. Joliet's additional insured status must apply to liability and defense of suits arising out of Chicago's Contractor's acts or omissions, whether such liability is attributable to Chicago's Contractor or to Joliet. The full policy limits and scope of protection also will apply to Joliet as an additional insured, even if they exceed Joliet's minimum limits required in this Agreement. Chicago's or Chicago's Contractor's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Joliet.

iii. Railroad Protective Liability Insurance

If any work is to be done within fifty (50) feet of or on railroad or transit property, each of Chicago and Joliet shall provide and maintain or cause the Party's respective Contractor to provide and maintain with respect to the operations that the Party's respective Contractor or Subcontractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits not less than the requirement of the operating railroad for losses arising out of injuries or death of all persons, and for damage to or destruction of property, including the loss of use thereof. Each Party's or each Party's Railroad Protective Liability Insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Joliet or Chicago, as applicable.

iv. Commercial Automobile Liability Insurance (Primary and Umbrella)

Each Party shall provide and maintain or cause their respective Contractor to provide and maintain Commercial Automobile Liability Insurance with limits not less than $1,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater, for bodily injury and property damage. Coverage must include but not be limited to the following: ownership, maintenance, or use of any auto whether owned, leased, non-owned or hired used in the performance of the work or devices, both on and off the location sites of the Project Elements to be constructed by the respective Party, including loading and unloading. The opposite Party is to be named as an additional insured on a primary, non-contributory basis. Each Party or each Party's Commercial Automobile Liability Insurance must be primary without right of contribuition by any other insurance or self-insurance maintained by or available to Joliet or Chicago, as applicable.

v. Excess/Umbrella Insurance

Each Party shall provide and maintain or cause their respective Contractor to provide and maintain Excess/Umbrella Liability Insurance with limits not less than $20,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater. The policy/policies must provide the same coverages/follow form as the underlying Commercial General Liability, Commercial Automobile Liability, Employers Liability and Completed Operations coverage required herein and expressly provide that the excess or umbrella policy/policies will drop down over reduced and/or exhausted aggregate limit, if any, of the underlying insurance. If a general aggregate limit applies the general aggregate must apply per project/location. The
Excess/Umbrella policy/policies must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Joliet or Chicago, as applicable.

vi. **Builders Risk Insurance.**

When either Joliet or Chicago's Contractor undertakes any construction, including improvements, betterments, and/or repairs, each Party shall provide and maintain or cause each party's respective Contractor to provide and maintain Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. Coverages must include but are not limited to the following: material stored off-site and in-transit, water including overflow, leakage, sewer backup or seepage, landscaping, debris removal and loss resulting from faulty workmanship or materials. The opposite Party is to be named as an additional insured and loss payee. Builders Risk Insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Joliet or Chicago, as applicable.

Each Party's respective Contractor is responsible for all loss or damage to personal property (including materials, equipment, tools and supplies) owned, rented or used by said Contractor.

vii. **Surety Performance Bond.**

Each Party shall provide and maintain or each Party's respective Contractor must provide a surety bond for the applicable Project Elements to be constructed by said Party in the amount of the construction cost plus twenty percent (20%), the bond must be placed with an "A" rated carrier. Each respective Party's Contractor must provide ongoing reporting to the surety company for increased construction costs over the course of the project. Chicago or Joliet, as an opposite Party, as applicable must be named as the obligee on the bond.

viii. **Contractors Pollution Liability Insurance.**

When any work is performed which may cause a pollution exposure, each Party shall provide and maintain or cause their respective Contractors to provide and maintain Contractors Pollution Liability Insurance, covering bodily injury, property damage and other losses caused by pollution condition with limits not less than $10,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede start of work performed pursuant to this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The opposite Party is to be named as an additional insured on a primary, non-contributory basis. Contractors Pollution Liability Insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Joliet or Chicago, as applicable.

ix. **All Risk Property Insurance.** Each Party shall provide and maintain or cause their respective Contractors to provide and maintain All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the applicable Project Elements to be constructed by said Party. Chicago or Joliet, as the opposite Party, as applicable, is to be named as an additional insured and loss payee/mortgagee, if applicable. All Risk Property Insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to Joliet or Chicago, as applicable.
C. **Phase III**

Phase III will be the period starting at the beginning of the day after the Phase End Date for Phase II, and will end on the date of Termination of this Agreement. Sixty (60) days prior to the Phase Start Date for Phase III, the Parties shall meet and confer to discuss Chicago's determination of the insurance coverage required to be provided by Joliet and Chicago in connection with such Parties' ongoing maintenance and operations pursuant to the terms of this Agreement during the duration of Phase III. For both Parties, the insurance coverage requirements under this Subsection 21.2.C shall reflect known and established insurance coverages, including self-insurance, for each Party's operations comparable during Phase III at the time, and known and established insurance exposures associated with operations comparable under Phase III at the time.

D. **Phase IV**

Phase IV will be the period starting at the beginning of the day after the date of Termination of this Agreement due to Termination or non-renewal of this Agreement and will end on the date the Parties agree will be the date on which the procedures described in Article 7. Sixty (60) days prior to the commencement of the procedures described in Article 7, Chicago shall determine the insurance coverage required to be provided by Joliet and Joliet's Contractors in connection with said procedures. The insurance coverage requirements under this Subsection 21.2.C shall reflect known and established insurance coverages for the operations comparable to the procedures described in Article 7, including disposition of the Joliet New Water Supply Infrastructure by removal or abandonment, at the time, and known and established insurance exposures associated with the procedures described in Article 7 at the time. This Subsection 21.2.C shall survive Termination of this Agreement.

E. **Additional Major Work Insurance Coverage Requirements.** During Phases II or III Chicago may desire and during Phases II, III or IV Joliet may desire, to perform certain additional major work relating to pre-construction work, repairs, maintenance, operation, expansions or capital improvements to the Joliet New Water Supply Infrastructure or Chicago New Water Supply Infrastructure, or removal or other disposition of the Joliet New Water Supply Infrastructure, all of the aforesaid not originally anticipated at the applicable Phase Start Date ("Additional Major Work") The Parties will notify each other of the nature and anticipated start date ninety (90) days prior to the commencement by such Party of the Additional Major Work. Sixty (60) days prior to the commencement of the Additional Major Work, the Parties shall meet and confer to discuss Chicago's determination of the additional insurance coverage requirements ("Additional Major Work Insurance Coverage Requirements") to be provided by the Parties or their Contractor in connection with the Additional Major Work. The insurance coverage requirements under this Subsection 21.3.E shall reflect known and established insurance coverages, including self-insurance, for each Party’s operations comparable to the Additional Major Work at the time, and known and established insurance exposures associated with operations comparable to the Additional Major Work at the time.

F. **Professional Liability Insurance**

During Phases I, II, III or IV, when any architects, engineers, construction managers or other professional consultants perform work, services, or operations in connection with this Agreement for Joliet, Joliet must provide Chicago with evidence of current insurance coverage for Joliet’s architects, engineers, construction managers or other professional consultants (collectively, the "Professional Contractors") Joliet will cause the Professional Contractors to provide Chicago with evidence of and to maintain Professional Liability Insurance covering acts, errors, or omissions during each of Phase I and Phase II, the limits will be not less than $10,000,000. During each of
(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Section 2-92-540, Municipal Code of Chicago.

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

(g) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer’s compliance with its obligations under this (Sub)Exhibit F. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this (Sub)Exhibit F; the sufficiency of which shall be approved by DPD. During the Project, the Developer shall, upon the request of the monitoring staff of DPD, such interim reports as the monitoring staff may require. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder.

REDEVELOPMENT AGREEMENT WITH AND PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO LILLIAN MARCIE LEGACY COMPANY FOR REHABILITATION OF PROPERTY AT 4341 - 4343 S. COTTAGE GROVE AVE. INTO THEATER SPACE.

[O2023-1337]

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance concerning the authority to enter into and execute a redevelopment agreement with Lillian Marcie Legacy Company for the provision of Tax Increment Financing (TIF) funds to rehabilitate and develop the property at 4341 - 4343 South Cottage Grove Avenue, located in the 4th Ward (O2023-1337), in the amount of $6,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed ordinance transmitted herewith.
commence. The receipt of any certificate does not constitute agreement by Chicago that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of this Agreement. The failure of Chicago to obtain, nor Chicago's receipt of, or failure to object to a non-complying insurance certificate, endorsement or other insurance evidence from Joliet or Joliet's Contractor, its insurance broker(s) and/or insurer(s) will not be construed as a waiver by Chicago of any of the required insurance provisions. Joliet and Joliet's Contractor must advise all insurers of this Agreement provisions regarding insurance. Chicago in no way warrants that the insurance required herein is sufficient to protect Joliet and Joliet's Contractor for liabilities which may arise from or relate to this Agreement. Chicago reserves the right to obtain complete, certified copies of any required insurance policies at any time.

B. Failure to Maintain Insurance. Failure of Joliet or Joliet's Contractor to comply with required coverage and terms and conditions outlined herein will not limit Joliet's liability or responsibility nor does it relieve Joliet or Joliet's Contractor of the obligation to provide insurance as specified in this Agreement.

C. Notice of Material Change, Cancellation or Non-Renewal. In the event that Joliet or Joliet's Contractor becomes aware that through no fault of their own, any insurance coverage will be or has been substantially changed, canceled or non-renewed, Joliet or Joliet's Contractor must promptly provide Chicago with written notice. Otherwise, in the event any insurance coverage will be substantially changed, canceled or non-renewed, Joliet or Joliet's Contractor will provide Chicago with written notice sixty (60) calendar days prior to said change, cancellation or non-renewal. In addition, Joliet or Joliet's Contractor must promptly provide Chicago with written notice of non-payment of insurance coverage premium and in no event shall the notice of non-payment of insurance coverage premium be sent to Chicago more than ten (10) days after the due date of the insurance coverage premium that was not paid.

D. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Joliet or Joliet’s Contractor.

E. Waiver of Subrogation. Joliet hereby waives and shall cause Joliet’s Contractor to waive its rights and agrees to require their insurers to waive their rights of subrogation against Chicago under all required insurance herein for any loss arising from or relating to this Agreement. Joliet agrees to obtain and shall cause Joliet’s Contractor to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not Chicago received a waiver of subrogation endorsement for Joliet’s insurer(s) or Joliet’s Contractor’s insurer(s).

F. Joliet and Joliet’s Contractor’s Insurance Primary. All insurance required of Joliet and Joliet’s Contractors under this Agreement shall be endorsed to state that Joliet and Joliet’s Contractor insurance policy is primary and not contributory with any insurance carrier by Chicago.

G. No Limitation as to Joliet and Joliet’s Contractor Liabilities. The coverages and limits furnished by Joliet and Joliet's Contractor in no way limit the Joliet and Joliet’s Contractor's liabilities and responsibilities specified within this Agreement or by law.

H. No Contribution by Chicago. Any insurance or self-insurance programs maintained by Chicago do not contribute with insurance provided by Joliet and do not contribute with insurance provided by Joliet’s Contractor under this Agreement.
I. Insurance not Limited by Indemnification. The required insurance to be
carried is not limited by any limitations expressed in the indemnification language in this
Agreement, including but not limited to the language in Section 25.3 of this Agreement, or any
limitation placed on the indemnity in this Agreement given as a matter of law.

J. Insurance and Limits Maintained. If Joliet or Joliet’s Contractor maintains
higher limits and/or broader coverage than the minimums shown herein, Chicago requires and
shall be entitled to the higher limits and/or broader coverage maintained by Joliet or Joliet’s
Contractor. Any available insurance proceeds in excess of the specified minimum limits of
insurance and coverage shall be available to Chicago.

K. Joint Venture or Limited Liability Company. If Joliet’s Contractor is a joint
venture or limited liability company, the insurance policies must name the joint venture or limited
liability company as a named insured.

L. Other Insurance obtained by Joliet or Joliet’s Contractor. If Joliet or Joliet’s
Contractor desires additional coverages, Joliet or Joliet’s Contractor, as applicable will be
responsible for the acquisition and cost.

M. Subcontractors. Joliet and Joliet’s Contractor shall name the
Subcontractor(s) as a named insured(s) under Joliet’s or Joliet’s Contractor’s insurance or Joliet
and Joliet’s Contractor will require Subcontractor(s) to provide and maintain Commercial General
Liability, Commercial Automobile Liability, Worker’s Compensation and Employers Liability and
Professional Liability Insurance and when applicable Excess/Umbrella Liability Insurance with
coverage at least as broad as outlined in this Subsection 21.7.M. The limits of coverage will be
determined by Joliet or Joliet’s Contractor and shall determine if Subcontractor(s) must also
provide any additional coverage or other coverage outlined in this Subsection 21.7.M. Joliet and
Joliet’s Contractor are responsible for ensuring that each Subcontractor has named Chicago as
an additional insured where required and name Chicago as an additional insured on an
endorsement form at least as broad and acceptable to Chicago. Joliet and Joliet’s Contractor are
also responsible for ensuring that each Subcontractor has complied with the required coverage
and terms and conditions outlined in this Subsection 21.7.M. When requested by Chicago, Joliet
and Joliet’s Contractor must provide to Chicago certificates of insurance and additional insured
endorsements or other evidence of insurance. Chicago reserves the right to obtain complete,
certified copies of any required insurance policies at any time. Failure of the Subcontractors to
comply with required coverage and terms and conditions outlined herein will not limit Joliet’s or
Joliet’s Contractor’s liability or responsibility.

21.8 Insurance Coverage Disputes. If during Phases I, II, III, IV and at any Additional
Major Work, there is either an adjustment to, or determination by Chicago of insurance coverage
requirements and if Joliet disagrees with said adjustment or Chicago’s determination of insurance
coverage requirements under this Article 21, Joliet may invoke the dispute resolution procedure
described in Section 20.18.

21.9 Article 21 to Survive Termination. This Article 21 shall survive Termination of this
Agreement.

ARTICLE 22. ASSIGNMENT

22.1 Consent to Assignment. Other than the assignment described in Subsection
22.2.C, this Agreement and the duties, obligations and requirements in this Agreement shall not
be assigned or transferred by either Party without the prior written consent of the other Party.
This Agreement shall be binding on the Parties, and their respective successors, assignees and legal representatives, subject, however, to the provisions of this Agreement limiting assignment.

22.2. Assignment to the Regional Water Commission

A. Acknowledgment of PRWCA. The Parties acknowledge that Joliet has entered into the PRWCA regarding the formation of a regional water commission.

B. Periodic Updates. Joliet agrees to provide periodic updates to Chicago regarding the status of activities relating to the formation of a regional water commission.

C. RWC Assignment. If a regional water commission is established of which Joliet is a member, Joliet shall assign this Agreement to the Regional Water Commission pursuant to the RWC Assignment subsequent to the establishment of the Regional Water Commission, unless Joliet agrees to sell Water to the Regional Water Commission directly as a Subsequent Purchaser and Joliet continues to purchase Water from Chicago under this Agreement. In connection with the assignment, Joliet is also expected to assign some or all Easements and permits and other approvals issued by Chicago pertaining to this Agreement and the New Water Supply Infrastructure, to the Regional Water Commission. The assignments of the Ancillaries will be included in the RWC Assignment. If a regional water commission is established of which Joliet is not a member, Joliet may sell Water to the regional water commission upon the same terms as in this Agreement. In the event Joliet, Chicago and the Regional Water Commission wish to enter into the RWC Assignment, the Parties, agree to the following, subject to the Regional Water Commission's good faith cooperation and efforts in negotiating the RWC Assignment:

1. Joliet shall provide an RWC Assignment Notice to Chicago of Joliet's intent to effectuate the RWC Assignment, which will include evidence in a form acceptable to Chicago, of the Regional Water Commission's intent to effectuate the RWC Assignment of this Agreement, not less than ninety (90) days prior to the date on which Joliet proposes the RWC Assignment will become effective or such other date as is mutually agreed by the Parties subject to the agreement of the Regional Water Commission. The RWC Assignment Notice shall include:

   a) documentation confirming the legal status of the Regional Water Commission, including by-laws;

   b) a list that includes 1) Joliet, the Purchasers (including members of the Regional Water Commission), prospective Purchasers, 2) the State Water Allocations (or, if a State Water Allocation has not yet been received, the allocation that the entity has applied for or, if an application has not yet been submitted, the anticipated amount with notation indicating if the allocation has been applied for but not yet received, or if the allocation is intended to be applied for), of each entity, and 3) for each entity, its status with the Regional Water Commission (i.e. member, customer, or a water purchaser located downstream of a customer);

   c) the State Water Allocation for the Regional Water Commission, if any or a notice that the Regional Water Commission does not have a State Water Allocation, has not applied for, and does not, to Joliet's knowledge, intend to apply for a State Water Allocation;

   d) the intergovernmental agreement executed by Joliet and the other members of the Regional Water Commission members authorizing the formation of the Regional Water Commission,
e) anticipated activities by Joliet and/or the Regional Water Commission that are expected or required to occur within the first [calendar] year following the proposed effective date of the RWC Assignment, and

ii. Joliet and Chicago agree to review this Agreement and the Ancillaries to determine whether any terms and provisions of this Agreement, and the Ancillaries require: (a) amendments to be consistent with State law applicable to the Regional Water Commission, [including the length of the Term or (b) a revised Exhibit A reflecting updated State Water Allocations for the Regional Water Commission's Purchasers. The Parties may also agree to additional amendments to this Agreement and the Ancillaries to be included as RWC Assignment. Upon mutual agreement, the Parties may provide a written statement to the Regional Water Commission that no amendments are required. If the Parties agree that amendments are necessary, Joliet and Chicago agree to promptly and jointly prepare the RWC Assignment based on such review and provide the proposed RWC Assignment to the Regional Water Commission for review within sixty (60) days following the RWC Assignment Notice, or within a period mutually agreed to by the Parties

iii. Chicago and Joliet each agree to work in good faith to negotiate the RWC Assignment with the intent to effect the execution of the RWC Assignment not more than ninety (90) days after the RWC Assignment Notice. Chicago's and Joliet's approval and execution of the RWC Assignment shall not be unreasonably withheld or denied.

iv. Notwithstanding the other provisions in this Subsection [22 2(C)(iv)], Chicago's execution of the RWC Assignment shall be on terms agreed upon by Chicago and will be conditioned upon receipt by Chicago from Joliet of the following deliverables at least [fifteen (15)] days prior to the effective date of the RWC Assignment:

a. A certified copy of a RWC Resolution authorizing the execution of the RWC Assignment and approving the final form of the RWC Assignment


c. Certified copies of all agreements entered into in connection with the formation and the administration of the Regional Water Commission, including but not limited to the RWC IGA, the Management Agreement; and the water supply contracts between the Regional Water Commission and its members, and wholesale customers of the members

d. Copies of the State Water Allocations of the members of the Regional Water Commission, the wholesale customers of the Regional Water Commission, the Regional Water Commission, if any, and any other entity downstream of the Regional Water Commission possessing an State Water Allocation as well as a revised Exhibit A reflecting said State Water Allocations

e. A list of Regional Water Commission members, Regional Water Commission customers, and prospective Regional Water Commission customers who have not yet received State Water Allocations, but have requested or will request a State Water Allocation and, respectively, the
amount requested or expected to be requested by said prospective Regional Water Commission customers

f. An executed approving opinion of counsel to the Regional Water Commission to the effect that the Regional Water Commission has full legal right, power and authority to enter into the RWC Assignment and accept the assignment.

g. An executed approving opinion of counsel to Joliet to the effect that Joliet has full legal right, power and authority to enter into the RWC Assignment and this Agreement

h. A certificate dated the date of the RWC Assignment signed by a duly authorized officer of the Regional Water Commission to the effect that as of the date of the RWC Assignment, (i) the representations and warranties of the Regional Water Commission in the RWC Assignment and the Amended and Restated Agreement are correct in all material respects; (ii) to the knowledge of the Regional Water Commission after due inquiry, there has not been and the Regional Water Commission is not aware of any event having occurred which, with the passage of time or giving of notice, or both would constitute a default of the Regional Water Commission under the RWC Assignment and the Amended and Restated Agreement; (iii) there has been no material adverse change in the legal status of the Regional Water Commission; (iv) there has been no material adverse change to the validity of the Regional Water Commission's approval of the RWC Assignment and the Amended and Restated Agreement; and (v) the RWC Resolutions and the RWC Act each remain in effect and have not been repealed or superseded.

i. A certified copy of all ordinances passed by the Joliet City Council in relation to this Agreement and the RWC Assignment ("Joliet Ordinances").

j. A certificate dated the date of the RWC Assignment signed by the Mayor of Joliet to the effect that as of the date of the RWC Assignment, (i) the representations and warranties of Joliet in this Agreement are correct in all material respects; (ii) to the knowledge of Joliet after due inquiry, there has not been and there will not be an occurrence that will or may potentially constitute a Joliet Default; (iii) there has been no material adverse change to the validity of Joliet's approval of this Agreement or the RWC Assignment; and (iv) the Joliet Ordinances remain in effect and have not been repealed or superseded.

k. The RWC Assignment executed by Joliet and the Regional Water Commission

l) Regional Water Commission recognition by IEPA as a public water supply

m) A date-down certificate from Joliet and the Regional Water Commission dated the effective date of the RWC Assignment to the effect that there has been no change with respect to the deliverables
under this Subsection 22.2 (C)(iv) or the circumstances on which said deliverables are based

v Notwithstanding the other provisions in this Subsection 22.2(c)(v), Joliet's execution of the RWC Assignment shall be on terms agreed upon by Joliet and will be conditioned upon receipt by Joliet from Chicago of the following deliverables at least [fifteen (15)] days prior to the date of the RWC Assignment.

a A certified copy of all ordinances passed by the Chicago City Council in relation to this Agreement and the RWC Assignment ("Chicago Ordinances").

b An executed approving opinion of the Corporation Counsel of the City of Chicago to the effect that Chicago has full legal right, power and authority to enter into the RWC Assignment.

c A certificate dated the date of the RWC Assignment signed by a duly authorized signatory of Chicago to the effect that as of the date of the date of the RWC Assignment, (i) the representations and warranties of Chicago in this Agreement are correct in all material respects; (ii) to the knowledge of Chicago after due inquiry, there has not been and there will not be an occurrence that will or may potentially constitute a Chicago Default under this Agreement; (iii) there has been no material adverse change to the validity of Chicago's approval of this Agreement or the RWC Assignment; and (iv) the Chicago Ordinances have not been repealed, superseded and remain in effect

d An RWC Assignment executed by Chicago.

e A date-down certificate from Chicago dated the effective date of the RWC Assignment to the effect that there has been no change with respect to the deliverables under this Subsection 22.2 (C)(v) or the circumstances on which said deliverables are based.

vi The Parties acknowledge and agree that their respective compliance with the requirements under this Subsection [22.2(C)(vi)] is dependent on the successful negotiations with the Regional Water Commission and the Regional Water Commission's ongoing cooperation and good faith efforts in said negotiations and the effectuation of the RWC Assignment. Furthermore, the Parties agree that any Party's noncompliance with any provision of this Subsection [22.2(C)(vi)] due to the fault of any action, non-action or opposition of the Regional Water Commission shall not constitute a default of said Party under this Agreement.

vii Notwithstanding the foregoing provisions in Section [22.2] of this Agreement, Chicago will not be obligated to enter into the RWC Assignment if the assignment is in violation of the applicable Laws.

22 3. Joliet or Regional Water Commission Obligation This Agreement does not constitute and shall not be construed to constitute an indebtedness or obligation of the Purchasers, any future members of the Regional Water Commission or any wholesale customers of future members of the Regional Water Commission within the meaning of any statutory or constitutional limitation
22.4. **Sale of Chicago Water System.** Chicago agrees that it will not sell the Chicago Water System during the Term, unless otherwise agreed to by Joliet.

**ARTICLE 23. ACTIONS UNDER THE EMINENT DOMAIN ACT**

23.1. **Applicable Law.** As of the Effective Date, the Parties recognize that Joliet does not have statutory authority pursuant to Article 20 of the Eminent Domain Act or another State statute to implement proceedings using the quick-take procedure in the Eminent Domain Act. If Joliet or any assignee obtains such statutory authority during the Term, the provisions of this Section 23 will apply. With the exception of Section 23.3, the provisions of this Section shall not apply to any proceedings unless Joliet proposes using the quick-take procedure.

23.2. **Consent to Quick-Take.** The Parties recognize that Joliet or any assignee may (A) determine that negotiations for the acquisition of property or easements for making any improvement that is part of the New Water Supply Infrastructure have proven unsuccessful and (B) by resolution or ordinance adopt a schedule or plan of operation for the execution of the improvement and make a finding that it is necessary to take such property or easements immediately or at some specified later date in order to comply with the schedule. In any such instance where the property or easement is located within the boundaries of Chicago, if Joliet or its assignee intends to commence proceedings to acquire such property or easements in the same manner provided in Article 20 of the Eminent Domain Act (quick-take procedure), then Joliet or its assignee shall notify Chicago that it intends to take such an action and include a copy of the resolution or ordinance described above along with a description of efforts made to acquire the property or easements described in the resolution or ordinance. Joliet shall notify Chicago not less than sixty (60) days prior to the date Joliet files an action pursuant to Article 20 to take such property or easement, provided, however, that if there are not two meetings of the Chicago City Council that are scheduled or expected to take place within sixty (60) days after the date Chicago receives said notice, Joliet must provide Chicago with notice not less than [ninety (90)] days before Joliet files such an action. Chicago, in its reasonable discretion, will have the right to either approve or reject the quick-take proceedings under the Eminent Domain Act or another State statute. Chicago will promptly review all information provided. Chicago will notify Joliet if Chicago requires any additional information reasonably related to the property or easements sought and Joliet will promptly respond. Joliet will not commence such proceedings unless and until the acquisition has been approved by Chicago, by ordinance of the Chicago City Council.

23.3. **Real Property Excluded from Joliet Actions Under Eminent Domain Act.** Notwithstanding the foregoing provisions under this Section 23.3, Joliet will not exercise the disposition of real property through eminent domain proceedings concerning the properties known as Durkin Park Elementary School and Durkin Park, both located at 8445 South Kolin Avenue in Chicago, without prior approval of Chicago. In addition, the Parties agree that as of the date of execution of this Agreement, the planned route of the Transmission Main-Chicago from the Southwest Pumping Station site to Joliet is via the 85th Street right-of-way westward to the Chicago corporate boundaries, and that any change to or deviation from this route shall require Chicago’s review and approval.

**ARTICLE 24. THE PARTIES’ COMMITMENT TO TRANSPARENCY AND COLLABORATION**

24.1. **Commitment to Transparency and Collaboration.** The Parties recognize the importance of carrying out the terms of this Agreement in a collaborative manner that reflects the Parties’ commitment to transparency and collaboration with respect to the long-term relationship of Joliet and Chicago for a reliable supply of Water to Joliet on a cost-effective basis. Key to this collaborative approach is the establishment and ongoing operation of the Advisory Council, each
Party identifying appropriate staff liaisons to the other Party, Chicago's agreement to assist Joliet in matters necessary and appropriate to implementation of this Agreement, and Chicago's commitment to deepening regional cooperation and collaboration, all as further described in this Article 24.

24.2. **Advisory Council**

A. **Council Membership and Goals.** The Parties will collaborate to develop an Advisory Council composed of representatives from Chicago, Joliet, and the other municipalities and entities that are, or are under contract to become, wholesale purchasers of Water from Chicago (with Joliet collectively, the "AC Members", individually an "AC Member").

i. **Goals.** The primary goals of the Advisory Council will be to (a) obtain meaningful input and feedback from the AC Members regarding the management, operation, and financial aspects, including Water rates and capital investments, of the Chicago Water System, (b) establish standing mechanisms for regular and enhanced communication between Chicago and the AC Members, (c) collaborate on water supply and water policy issues in northeastern Illinois, and (d) provide a process for the AC Members to make recommendations for Chicago's consideration as it relates to the reliable and cost-effective delivery of Water. The Advisory Council's primary goals as stated in this Agreement, and its tasks and functions as stated in this Agreement, shall not pertain to Water issues relating to retail customers.

ii. **Representatives.** AC Member representatives on the Advisory Council shall be employees or staff of their AC Member, in order to establish working relationships among the AC Members regarding goals and tasks of the Advisory Council. AC Member representatives may have one designated alternate who will be authorized to participate when the primary AC Member representative is absent or unavailable.

iii. **Meetings.** The Parties agree that the first Advisory Council meeting has been held prior to the Effective Date. The Advisory Council shall meet at least once during each calendar quarter during the Term, with designated meeting locations rotating so that meetings will be held in various parts of the territory that includes the AC Members, as provided in the AC Governing Documents.

B. **Chicago Commitment to Advisory Council**

i. **Maintaining Advisory Council.** During the Term, Chicago (a) shall not introduce a motion before the Advisory Council to dissolve, disband or abolish the Advisory Council, and (b) shall abstain from any vote before the Advisory Council to dissolve, disband or abolish the Advisory Council. In addition, Chicago shall not unilaterally dissolve, disband or abolish the Advisory Council during the Term.

ii. **Supporting Advisory Council.** Chicago shall devote the necessary resources to supporting the activities of the Advisory Council and commits to dedicate one employed staff member for said purpose Chicago's Chief Financial Officer and the Commissioner of DWM shall share the responsibilities of collaboration with the Advisory Council. In the event of a future vacancy in the position of Commissioner, Chicago will appoint a new Commissioner with the qualification to lead the operation and management of DWM in a way that it continues to provide quality water to all of the customers of the Chicago Water System. In all decision-making, DWM will follow its mission of protecting the public health in the most environmentally and fiscally responsible
manner by delivering a sufficient supply of exceptional quality Water and efficiently managing waste and storm water.

C. Advisory Council Tasks. The tasks assigned to the Advisory Council shall be generally in furtherance of the goals described in Subsection [24.2A.i] of this Agreement and shall include, but not be limited to, those listed in Exhibit H. Any non-public information provided to the Advisory Council shall be used by the Advisory Council in accordance with applicable law, as well as the provisions under any non-disclosure or confidentiality agreements that Chicago may require to be executed by the AC Members, and to the extent authorized by applicable law.

D. Advisory Council Organization and Structure. The Parties, in collaboration with the other municipalities and entities defined as AC Members in Subsection [24.2 A], agree to establish the formal structure of the Advisory Council in furtherance of its mission and the primary goals described above. Said structure, which will include AC Governing Documents governing the work of the Advisory Council, shall be presented to the AC Members for consideration and approval by their respective representatives. The Parties agree that the AC Governing Documents will include, but not be limited to, provisions for sufficient advance notice of meetings and agendas to allow AC Member representatives to adequately prepare for meetings, procedures for placement of items on the Council's agenda by the AC Members, and a process for modification of the AC Governing Documents, and will not limit the ability of AC Members to act outside of the Advisory Council structure.

E. Advisory Council Voting. The Advisory Council will vote on two sets of matters.

i. Internal Matters: Recommendations for Chicago's consideration on matters concerning the Chicago Water System. Chicago shall not vote on these matters because Chicago will be the recipient of these recommendations; and

ii. External Matters: Recommendations or positions on matters of water policy, legislation, and public information and education that affect the water industry, consumers of Water produced by the Chicago Water System, and the supply of water in the northern Illinois region. Chicago may vote on these matters and the Parties agree that the votes of Chicago alone will not be sufficient to establish a majority or supermajority vote.

In developing the AC Governing Documents pursuant to Subsection 24.2 D, the Advisory Council shall establish a voting structure that

i. is weighted among the AC Members based on their proportionate shares of total State Water Allocations for all AC Members;

ii. specifies procedures for votes on matters concerning the Chicago Water System as a whole and for votes concerning aspects of the Chicago Water System that affect or serve only a portion of the AC Members, as described in Subsection 24.2E.i; and External Matters, as described in Subsection 24.2E.ii, and

iii. specifies criteria to determine whether a matter being voted upon concerns the Chicago Water System as a whole or aspects of the Chicago Water System that affect or serve only a portion of the AC Members, as described in Subsection 24.2E.i, or External Matters, as described in Subsection 24.2E.ii, and
iv. specifies the details as to AC Members' voting rights and the appropriate occasions for such votes, including that the Parties agree that under such procedures, the votes of Chicago alone will not be sufficient to establish a majority or supermajority vote.

F. Action on Recommendations

i. Pursuant to the procedures to be established in the AC Governing Documents, the Advisory Council shall provide its recommendations on Internal Matters to the Commissioner and a copy to the Chief Financial Officer. The AC Governing Documents shall establish a procedure by which AC Members that disagree with any recommendations on Internal Matters may submit a supplemental report or recommendation to the Commissioner and a copy to the Chief Financial Officer stating their positions on the matter.

ii. Within 90 days after receipt of any recommendation, the Commissioner shall notify the Advisory Council in writing whether the Commissioner will accept and implement the recommendation, reject the recommendation without implementation, or accept in part and reject in part, and the reasons for the action.

iii. If a recommendation on an Internal Matter is rejected in whole or in part, the Advisory Council will have an opportunity to respond and provide additional information to the Commissioner (with a copy to the Chief Financial Officer) within 30 days after receipt of notice of the Commissioner's determination. If the Commissioner's determination to reject a recommendation does not change after the provision of additional information, or if a recommendation of the Advisory Council is rejected by the Commissioner and no additional information is provided, the Commissioner shall report said recommendation to members of the Chicago City Council and Chicago shall notify the AC Members of the Advisory Council that said report has been filed with the City Council.

G. Advisory Council Working Groups. The Advisory Council may establish certain specific goals and may establish working groups necessary in order to execute specific goals (collectively, “Working Groups” and each separate group a “Working Group”). Working Groups shall meet when necessary, based on pending work and matters referred to them, and may make recommendations to the Advisory Council. The AC Governing Documents shall establish a procedure by which AC Members may appoint individuals to Working Groups. The Parties anticipate that Working Groups may be established for at least the following subject matters: financial (including water rates), operations (including water quality), capital projects (including engineering), and management.

H. Variations of Advisory Council Structure, Operations and Tasks from Agreement Provisions. The Parties agree that this Agreement is bilateral and exists only between the Parties, and does not bind the Advisory Council to take or fail to take any action. The Parties understand that the Advisory Council may, pursuant to the AC Governing Documents, make changes to its structure, operations, and tasks, which changes may create variations from what is provided in this Section 24.2 and Exhibit [H]. Notwithstanding the foregoing provisions in Section 24.2, the Parties agree that any variation in the structure, operations or tasks of the Advisory Council from what is described in Section 24.2 and Exhibit [H] resulting from actions of the Advisory Council will not constitute an event of default by Chicago or Joliet.

I. Joliet Rights. If the Advisory Council chooses to carry out its functions in a manner that differs materially from the functions as described in Section 24.2 and Exhibit [H], or if the
Advisory Council no longer exists (due to action by third parties), Joliet shall have the right to provide input directly to Chicago on such functions that are not being addressed by the Advisory Council. Chicago agrees to further cooperate with Joliet (including providing appropriate resources and staff support) with respect to Advisory Council functions in the following manner:

a If the Advisory Council has ceased its meetings, providing to Joliet an opportunity to meet on a quarterly basis to provide input and recommendations to Chicago on the tasks listed in Exhibit [H], and

b If the Advisory Council has ceased providing recommendations to Chicago, Chicago agrees to treat any Joliet recommendation in the same manner, including notices and opportunities to respond, as a recommendation of the Advisory Council is required to be treated in Subsections 24.2 F(ii) and (iii)

24.3 Staff Liaisons. Each Party shall assign certain personnel to act as staff liaisons to the other Party. Chicago shall assign the Commissioner, the Chief Financial Officer and the Deputy Comptroller of Financial Policy or their designees to be staff liaisons with Joliet. Joliet will assign the Director of Public Utilities or a designee to be the staff liaison with Chicago. The parties will identify and appoint any replacement personnel, as needed and as necessary, and will notify the other Party as to such replacement.

24.4 Chicago Support. As a further indication of Chicago's support for the transactions contemplated by this Agreement, such as formation of a Regional Water Commission, and pursuing and obtaining funding for contemplated water improvements required for implementation of this Agreement, Chicago will provide assistance to Joliet where appropriate in connection with efforts related to such transactions from time to time where necessary and useful to support Joliet in its efforts to implement this Agreement.

24.5 Regional Collaboration. Chicago is committed to deepening regional cooperation and collaboration by exploring the future possibility of a more formalized regional water structure on issues relating to water system and water supply operation, maintenance, improvements and rate-setting.

ARTICLE 25. INDEMNIFICATIONS

25.1 Indemnification by Joliet. Joliet on behalf of itself and its officials and officers, agents and employees, successors, assigns and anyone claiming by, through or under them, shall indemnify to the extent permitted by law, and keep and save harmless the Chicago Indemnified Parties from and against any Losses which may in any way accrue, and actually suffered or incurred by any such Chicago Indemnified Parties, based upon, arising out of, occasioned by or attributable to (a) any performance by Joliet, or failure by Joliet to comply with, observe or perform any of the covenants, obligations, agreements, terms or conditions in this Agreement, (b) any breach by Joliet of Joliet's representations or warranties set forth in this Agreement, (c) Joliet's design and construction of the Chicago New Water Supply Infrastructure, with the exception of the Tunnel Connection, and the Joliet New Water Supply Infrastructure, (d) Joliet selling and providing Water to Joliet Customers, or (e) Joliet's operation and maintenance of the Joliet New Water Supply Infrastructure. This indemnity shall not be the exclusive remedy of Chicago, and Chicago shall maintain whatever other right of indemnity it may have under the Law. The indemnification provided herein will be effective to the maximum extent permitted by Law and is not limited by any amount of insurance required under this Agreement. The provisions of this Section 25.1 shall survive any termination of this Agreement.
25.2. **Indemnification by Chicago.** Chicago on behalf of itself and its officials and officers, agents and employees, successors, assigns and anyone claiming by, through or under them, shall indemnify to the extent permitted by law, and keep and save harmless the Joliet Indemnified Parties from and against any Losses which may in any way accrue, and actually suffered or incurred by any such Joliet Indemnified Parties, based upon, arising out of, occasioned by or attributable to (a) any performance by Chicago, or failure by Chicago to comply with, observe or perform any of the covenants, obligations, agreements, terms or conditions in this Agreement, (b) any breach by Chicago of Chicago's representations or warranties set forth in this Agreement, (c) Chicago's design and construction of the Tunnel Connection, or (d) Chicago's operation and maintenance of the Chicago New Water Supply Infrastructure and Southwest Pumping Station. This indemnity shall not be the exclusive remedy of Joliet, and Joliet shall maintain whatever other right of indemnity it may have under the Law. The indemnification provided herein will be effective to the maximum extent permitted by Law and is not limited by any amount of insurance required under this Agreement. The provisions of this Section [25.2] shall survive any termination of this Agreement.

25.3. **Agency for Chicago and Joliet Indemnified Parties.** Chicago and Joliet each agrees that it accepts each indemnity in favor of its respective Chicago Indemnified Parties or Joliet Indemnified Parties, as agent and trustee of each applicable Chicago Indemnified Party or Joliet Indemnified Party and agrees that each may enforce an indemnity in favor of and on behalf of said Chicago Indemnified Party or Joliet Indemnified Party.

25.4. **Third Party Claims.**

a. **Notice of Third Party Claim.** If a Chicago Indemnified Party or Joliet Indemnified Party receives notice of the commencement or assertion of any Third Party Claim, the Chicago Indemnified Party or Joliet Indemnified Party shall give the Indemnifier reasonably prompt notice thereof. Such notice to the Indemnifier shall describe the Third Party Claim in reasonable detail (and include a copy of any complaint or related documents) and shall indicate, if reasonably practicable, the estimated amount of the Loss that has been or may be sustained by the Chicago Indemnified Party or Joliet Indemnified Party, as applicable.

b. **Defense of Third Party Claim.** The Indemnifier may participate in or assume the defense of any Third Party Claim by giving notice to that effect. The Indemnifier's right to do so shall be subject to the rights of any insurer or other Party who has potential liability in respect of that Third Party Claim. The Indemnifier agrees to pay all of its own expenses of participating in or assuming each defense. The Chicago Indemnified Party or Joliet Indemnified Party, as applicable, shall cooperate in good faith in the defense of each Third Party Claim, even if the defense has been assumed by the Indemnifier and may participate in such defense assisted by counsel of its own choice at its own expense. If the Chicago Indemnified Party or Joliet Indemnified Party, as applicable has not received notice that the Indemnifier has elected to assume the defense of such Third Party Claim, said Chicago Indemnified Party or Joliet Indemnified Party may assume such defense, assisted by counsel of its own choosing and the Indemnifier shall be liable for all reasonable costs and expenses paid or incurred in connection with the Third Party Claim and any Loss suffered or incurred by the Chicago Indemnified Party or the Joliet Indemnified Party, as applicable with respect to such Third Party Claim.

c. **Assistance for Third Party Claims.** The Indemnifier and the Chicago Indemnified Party or Joliet Indemnified Party, as applicable, will use all reasonable efforts to make available to the Defending Party, (i) those employees whose assistance, testimony and presence is necessary to assist the Defending Party in evaluating and in defending any Third Party Claim, and (ii) all documents, records and other materials in the possession of such Party reasonably
required by the Defending Party for its use in defending any Third Party Claim, and shall otherwise co-operate with the Defending Party. The Indemnifier shall be responsible for all reasonable expenses associated with making such documents, records and materials available and for all expenses of any employees made available by the Chicago Indemnified Party or Joliet Indemnified Party, as applicable, to the Indemnifier under this Agreement, which expense shall not exceed the actual cost to the Chicago Indemnified Party or the Joliet Indemnified Party, as applicable, associated with such employees.

\[\text{ARTICLE 26. FORCE MAJORE} \]

\[\text{26.1 Definition} \] The term "Force Majeure" as used in this Agreement shall mean the event caused by acts of God, and other events including but not limited to material damage or destruction by fire or other casualty, acts of terrorism, riots, demonstrations, actions of the state or federal government, pandemics, and other events or conditions beyond the reasonable anticipation or control of the Party affected, which in fact interferes with the ability of such Party to discharge its obligations under this Agreement.

\[\text{26.2 Notice} \] The Party affected by Force Majeure shall, upon the occurrence of the Force Majeure event, immediately give notice and full particulars of such Force Majeure event to the other Party.
26.3. **Suspension of Party Obligations.** The obligation of the Party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability claimed, but for no longer period. Any Party giving such notice shall endeavor to remove or overcome such inability as soon as practicable.

**ARTICLE 27. NOTICE**

27.1. **Notice.** For purposes of this Agreement, unless otherwise specified in Article 5, Sections _____, any notice, demand or request required by this Agreement shall be given in writing at the addresses set forth in Attachment A if to Chicago and Attachment B if to Joliet, by any of the following means: (A) personal service; (B) electronic communications, such as email; (C) nationally recognized overnight courier service; or (D) Certified Mail. Notice of an emergency relating to this Agreement, including the delivery of Water to Joliet, shall also be given to the other Party as soon as practicable at the emergency contact listed on Attachment A or Attachment B, as applicable.

27.2. **Change of Adressee or Adressee Contact Information for Notice.** Each Party to this Agreement has the right to change, add to, remove or replace the addressee or adressee contact information, for future notices and communications to them in matters pertaining to this Agreement or for emergencies or both, by giving notice complying with the requirements of this Section and which shall include an updated and executed Attachment A or Attachment B, as applicable as provided in Section [5.4]. No notice of a change of address will be effective until actually received.

27.3. **When Received.** Unless otherwise provided in Sections _____, notices shall be deemed received upon the first to occur of (A) the date of actual receipt, (B) the date an email is sent, unless notice of non-delivery is received; (C) the date that is one (1) business day after deposit with a nationally recognized overnight courier service as evidenced by a receipt of deposit, or (D) the date that is three (3) days after deposit in the U.S. mail, as Certified Mail, evidenced by a receipt.

**ARTICLE 28. CHOICE OF LAW; VENUE**

28.1. **Choice of Law.** This Agreement shall be governed by, and interpreted and enforced in accordance with, the laws of the State of Illinois (excluding any conflict of laws rule or principle which might refer such interpretation to the laws of another jurisdiction).

28.2. **Venue.** Any action or proceeding relating in any way to this Agreement may be brought and enforced in the federal or state courts in the State of Illinois in the County of Cook or the County of Will, and each of Chicago and Joliet hereby irrevocably submits to the jurisdiction of such courts with regard to any such action or proceeding, and irrevocably waives, to the fullest extent permitted by applicable Law, any objection it may have now or hereafter to the laying of venue of any such action or proceeding in such courts and any claim that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

**ARTICLE 29. MISCELLANEOUS PROVISIONS**

29.1. Neither Joliet nor Chicago will amend the provisions of any trust indenture or any other documents or agreements relating to any financing or debt obligation with respect to the Joliet Water System or the Chicago Water System, respectively, that will or may cause a material adverse effect on the other Party's rights or obligations under this Agreement.
29.2. In connection with any regulatory or judicial inquiry, claim, suit, action or proceeding or other matter by or before any court or any local, state or federal governmental authority or agency including, but not limited to the Internal Revenue Service, the Securities and Exchange Commission, IDNR or IEPA, in connection with this Agreement or the financing of all or any portion of the New Water Supply Infrastructure (collectively, the "Proceeding"), the Parties shall cooperate with each other in connection with said Proceeding. Cooperation shall include, but not be limited to promptly providing all documentation, records and information relating to this Agreement, or the financing of the New Water Supply Infrastructure, and each Party’s performance of this Agreement, the delivery of Water to Joliet, and the delivery of Water from Joliet to the Joliet Customers. Notwithstanding the foregoing, each Party shall not be restricted from defending itself in relation to any such Proceedings.

29.3. Joliet Water Rate Methodology. As of the Effective Date, Joliet, in its water contracts applies the methodology for water rates for its Subsequent Purchasers and Joliet Retail Customers based on generally applicable water rates that charge water customers on the same basis which in certain cases may vary by category of user and amount of usage in a consistent manner and method.

29.4. Tax-Exempt Status of Debt. Neither Party shall take any action, omit to take any action or permit any other party to take or omit to take any action in connection with its Water System that may cause the interest on any tax-exempt water revenue bonds, financing, or debt obligations (collectively, "Bonds") issued by the other Party to be taxable and included in the gross income of the holders of the Bonds for purposes of federal income taxation.

29.5. Entire Agreement of the Parties. The Parties agree that as of the Effective Date, the provisions of this Agreement shall supersede the provisions of that certain Preliminary Water Supply Agreement between Chicago and Joliet dated March 17, 2021. This Agreement, together with the Easements, shall constitute the entire agreement of the Parties.

29.6. Survival. Joliet and Chicago agree that the provisions in this Agreement, including but not limited to Sections ___, ___, ____ shall survive the Termination of this Agreement and remain fully enforceable.

29.7. No Waiver. No officer, official or agent of Chicago or Joliet has the power to amend, modify or alter this Agreement or waive any of its conditions as to bind Chicago or Joliet by making any promise or representation not contained in this Agreement.

29.8. Severability. If any part of this Agreement shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason, or in conflict with any law, the remainder of this Agreement shall remain valid to the maximum extent possible.

29.9. Counterparts. This Agreement may be executed in counterparts, each of which shall be executed by the Parties and deemed to be an original, and all of which shall constitute one and the same Agreement.
IN WITNESS OF THIS AGREEMENT, the City of Chicago and the City of Joliet have caused this Agreement to be executed by their respective officials [and shall be effective as of the date and year written on the first page hereof]

CITY OF CHICAGO,
an Illinois home rule municipal corporation

By: Andrea R.H. Cheng, Ph.D., P.E.
Commissioner
Department of Water Management

CITY OF JOLIET,
an Illinois home rule municipal corporation

By: Robert O'Dekirk
Mayor

ATTEST.

By: Chnsta M. Desiderio
City Clerk
Attachment "A".
(To Water Supply Agreement With City Of Joliet)

Notices To The City Of Chicago

Notices to Chicago pertaining to this Agreement shall be given to the following:

If to Chicago
City of Chicago
Department of Water Management – Commissioner’s Office
1000 East Ohio Street
Chicago, Illinois 60611
Attention: Commissioner
Email: andrea.cheng@cityofchicago.org

With a copy to:

City of Chicago
City Hall
121 North LaSalle Street -7th Floor
Chicago, Illinois 60602
Attention: Chief Financial Officer
Email: Jennie.Bennett@cityofchicago.org

With a copy to:

City of Chicago
Department of Law
121 North LaSalle Street -6th Floor
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Email: James.McDonald@cityofchicago.org

Notices to Chicago in the case of any emergency related to this Agreement, including the delivery of Water to Joliet:

City of Chicago
Department of Water Management
Leak Desk
(312) 744-7038

City of Chicago - Risk Management

Acknowledged as complete and accurate as of the date executed below

CITY OF CHICAGO

By ________________________________
Name ______________________________
Date ______________________________
Attachment "B"
(To Water Supply Agreement With City Of Joliet)

Notices To The City Of Joliet.

Notices to Joliet pertaining to this Agreement shall be given to the following:

If to Joliet:

City of Joliet
150 West Jefferson Street
Joliet, Illinois 60432
Attention: Director of Public Utilities
Email: aswisher@joliet.gov

With a copy to:

City of Joliet
150 West Jefferson Street
Joliet, Illinois 60432
Attention: City Manager
Email: jcapparelli@joliet.gov

Notices to Joliet in the case of any emergency related to this Agreement, including the delivery of Water to Joliet:

City of Joliet
Department of Public Utilities
24-hour number
(815) 724-4220

Acknowledged as complete and accurate as of the date executed below:

CITY OF JOLIET

By: __________________________
Name: _________________________
Date: _________________________
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<th>Joliet and Sequent Purchasers</th>
<th>State Water Allocation (MGD)</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
<th>2033</th>
<th>2034</th>
<th>2035</th>
<th>2036</th>
<th>2037</th>
<th>2038</th>
<th>2039</th>
<th>2040</th>
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</thead>
<tbody>
<tr>
<td>Channahon</td>
<td>See Note #1</td>
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<tr>
<td>Aqua Illinois—Oakview Avenue Water Works Service Area</td>
<td>See Note #2</td>
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<tr>
<td>2x Allocation (MGD)</td>
<td></td>
<td>31.23</td>
<td>31.484</td>
<td>31.738</td>
<td>31.992</td>
<td>32.246</td>
<td>32.5</td>
<td>32.782</td>
<td>33.064</td>
<td>33.346</td>
<td>33.628</td>
<td>33.91</td>
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<tr>
<td>Then Current LSPS Capacity (MGD)**</td>
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<td>55.27</td>
<td>55.27</td>
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<tr>
<td>Contractual Maximum Day Demand (MGD)*</td>
<td></td>
<td>31.23</td>
<td>31.484</td>
<td>31.738</td>
<td>31.992</td>
<td>32.246</td>
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(Continued from page 1)
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<tr>
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<td>See Note #2</td>
</tr>
</tbody>
</table>

| 2x Allocation (MGD) | 33.91 | 34.24 | 34.57 | 34.9 | 35.228 | 35.558 | 35.888 | 36.218 | 36.548 | 36.878 | 37.208 |
| Then Current LSPS Capacity (MGD)** | 55.27 | 55.27 | 55.27 | 55.27 | 55.27 | 55.27 | 55.27 | 55.27 | 55.27 | 55.27 | 55.27 |
| Contractual Maximum Day Demand (MGD)** | 33.91 | 34.24 | 34.57 | 34.9 | 35.228 | 35.558 | 35.888 | 36.218 | 36.548 | 36.878 | 37.208 |

*Lesser of 2x Allocation and Then Current LSPS Capacity
**Anticipated Capacity Will be confirmed once permit IEPA permit is obtained.

Note #1 Channahon has applied for a Lake Michigan Allocation permit
Note #2 Aqua Illinois has not applied for a Lake Michigan Allocation permit but would need to obtain a Lake Michigan Allocation permit prior to receiving Water.
**Bidding And Procurement, Contracting And Construction-Related Engineering Services**

<table>
<thead>
<tr>
<th>Project Element</th>
<th>Bidding and Contracting Entity</th>
<th>Applicable Contracting and Procurement Requirements</th>
<th>Construction-Related Engineering Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunnel Connection</td>
<td>Chicago</td>
<td>Chicago</td>
<td>Resident Engineer: Chicago</td>
</tr>
<tr>
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<td>Joliet/Joliet</td>
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<tr>
<td>Low Service Pump Station (including Chicago Service Valve)</td>
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<td>Construction Administrator: Joliet</td>
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<tr>
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</tr>
<tr>
<td>High Service Pump Station (including Meter Vault)</td>
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<td>Resident Engineer: Joliet</td>
</tr>
<tr>
<td>Transmission Main - Chicago</td>
<td>Joliet</td>
<td>Joliet</td>
<td>Resident Engineer: Joliet</td>
</tr>
</tbody>
</table>

**Construction-Related Engineering Services During Construction**

The Project On-Site Representatives and the Construction Administrator will be responsible for performing engineering services during construction of the Project Elements, including the items listed below, based on their assigned role for Construction-Related Engineering Services in the table above.

1. The Resident Engineer will be on site full-time and will be responsible for:
   - Documenting the work (daily/weekly reports) – weather, labor on site, equipment on site, deliveries, work installed, unknown conditions encountered, field changes, testing and as-buil conditions
   - Inspecting the work installed.
   - Checking materials delivered to the site against the shop drawings
   - Determining quantities for payment
• Issuing field orders (changes with no additional time or cost).
• Coordinating inspections with other Parties

2. The Construction Administrator will be responsible for
   • Reviewing shop drawings.
   • Reviewing pay requests
   • Responding to questions (RFIs) from the contractor
   • Initiating and responding to change orders (changes with additional time or cost).
   • Preparing as-built drawings

3. The Observer will be onsite full-time observing the work and coordinating the work with the existing operations at the Southwest Pumping Station Site. In addition, the Observer will be responsible for obtaining and communicating input from its Party on
   • Shop drawings.
   • Pay requests
   • RFIs from the contractor.
   • Change orders as requested by the Party holding the Construction Contract.
Design And Planning Of Project Elements.

1. As used in Article 8 and this Exhibit C, the following phrases will have the following meanings:

"Design Preferences" means that the final design will incorporate preferred equipment and manufacturers of the Party that will own the Project Element, where such preferences are permitted by Applicable Law. For Project Elements to be designed by Joliet but owned by Chicago, where a preference of equipment or manufacturer has not been provided by Chicago, Joliet will provide manufacturers of proposed equipment for Chicago's review. Except as otherwise mutually agreed by the Parties, at least three manufacturers will be included in the bidding documents.

A. "Lead Party" means the Party designated in this Agreement as the Party responsible for entering into the contract for design, construction, or Construction-Related Engineering Services, as applicable, of a Project Element and coordinating with the other Party in connection with that Project Element.

B. "Collaborating Party" means the Party designated in this Agreement as the Party responsible for collaborating with the Lead Party.

C. "Site Coordination" during the design phase means Joliet working with Chicago to identify existing DWM site operations and infrastructure as well as new DWM site operations pertaining to the Project Elements, and combining existing and new operations and infrastructure to develop reasonable site use and site access in the design documents for the Project Elements.

2. The requirements in the following table shall apply to the respective Project Element:

<table>
<thead>
<tr>
<th>Project Element</th>
<th>Design Preferences</th>
<th>Planning/Design</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunnel Connection</td>
<td>Chicago</td>
<td>Lead Party: Chicago</td>
</tr>
<tr>
<td>Tunnel Extension</td>
<td>Chicago</td>
<td>Collaborating Party: Joliet</td>
</tr>
<tr>
<td>Low Service Pump Station (including Chicago Service Valve)</td>
<td>Chicago</td>
<td>Lead Party: Joliet</td>
</tr>
<tr>
<td>Suction Well</td>
<td>Joliet</td>
<td>Collaborating Party: Chicago</td>
</tr>
<tr>
<td>High Service Pump Station (including Meter Vault)</td>
<td>Joliet</td>
<td>Lead Party: Joliet</td>
</tr>
<tr>
<td>Transmission Main-Chicago</td>
<td>Joliet</td>
<td>Review for Site Coordination: Chicago</td>
</tr>
</tbody>
</table>
Review Process, Timeframes and Milestones.

The review process, timeframes for completion of activities and key milestones are described below for the design of the Project Elements listed below:

1. **Milestone Engineering Design Submittals for the Tunnel Connection.** Time periods for review are included in the review process below. Only if unforeseen circumstances arise, or if either Party requires additional information and therefore requires additional time, the Parties will confer and agree on a reasonable additional timeframe beyond number of Business Days stated below.

   A. Chicago will design the Tunnel Connection to each of these specified levels: 10%, 30%, 60%, 90%, 100%.

   B. Chicago will submit complete design documents to Joliet for the applicable level of review.

   C. Joliet will have 20 Business Days from the date of receipt of the design documents to review the design documents and provide written comments related to the configuration, location, elevation, or other features of the Tunnel Connection that have the potential to impact the design, construction, or operation of the Tunnel Extension or Low Service Pump Station, utilizing a comment review form developed mutually by the Parties. This review shall not relieve Chicago’s design consultants of any responsibility for the accuracy and completeness of the Tunnel Connection design. Joliet and Chicago will meet during the review period prior to Joliet providing written comments to discuss any initial comments and questions. If no comments are received within 20 Business Days after Joliet’s receipt of the design documents, Chicago will notify Joliet that comments were due and must be provided within 5 Business Days. If no comments are received after 5 Business Days from the time that notice was given, Chicago will proceed to the next level of design.

   D. Chicago will review comments within 15 Business Days after receipt of comments from Joliet. After the 15th day, Joliet and Chicago will meet and confer on resolution of comments within 5 additional Business Days. The Commissioner and the Director of Public Utilities for Joliet shall be in attendance at this meeting to authorize resolution of comments.

   E. Chicago will document resolution of comments utilizing the comment review form and provide to Joliet within 5 Business Days after the comment resolution meeting.

   F. The Director of Public Utilities for Joliet shall sign the comment review form approving comment resolution within 10 Business Days after receipt of documented comment resolution from Chicago. If the signed comment review form is not received within 10 Business Days after Joliet’s receipt of the documented comment resolution form, Chicago will notify Joliet that approval was due and must be provided within 5 Business Days. If the signed comment review form is not received after 5 Business Days from the time that notice was given, the documented comment resolution form will be deemed approved as submitted and Chicago will proceed to the next level of design.

   G. Chicago will incorporate comments, as agreed to by the Parties pursuant to the process described above, into design for next level.

2. **Ten Percent Engineering Design Submittal Completed.** The Parties agree that Joliet’s Base of Design Report for the Alternative Water Source Program, December 2020, has been completed in June, 2021. Joliet submitted relevant excerpts thereof to Chicago to serve as the 10%
3. Milestone Engineering Design Submittals for the Tunnel Extension, Low Service Pump Station and Chicago Service Valve. Time periods for review are included in the review process below. Only if unforeseen circumstances arise, or if either Party requires additional information and therefore requires additional time, the Parties will confer and agree on a reasonable additional timeframe beyond number of Business Days stated below.

A. Joliet will design each of the Tunnel Extension, Low Service Pump Station and Chicago Service Valve to each of these specified levels: 30%, 60%, 90%, 100%.

B. Joliet will submit complete design documents to Chicago for the applicable level of review for each of the Tunnel Extension, Low Service Pump Station and Chicago Service Valve.

C. Chicago will have 30 Business Days from the date of receipt of the design documents to review the design documents and provide written comments utilizing a comment review form developed mutually by the Parties. This review shall not relieve Joliet's design consultants of any responsibility for the accuracy and completeness of the design of these Project Elements. Joliet and Chicago will meet during this review period prior to Chicago providing written comments to discuss any initial comments and questions. If no comments are received within 30 Business Days after Chicago's receipt of the design documents, Joliet will notify Chicago that comments were due and must be provided within 5 Business Days.

D. Joliet will review comments within 5 Business Days after receipt of comments from Chicago. After the 5th day, Joliet and Chicago will meet and confer on resolution of comments within 5 additional Business Days. The Commissioner and the Director of Public Utilities for Joliet shall be in attendance at this meeting to approve resolution of comments.

E. Joliet will document resolution of comments utilizing the comment review form and provide to Chicago within 5 Business Days after the comment resolution meeting.

F. The Commissioner shall sign the comment review form approving comment resolution within 10 Business Days after receipt of documented comment resolution from Joliet. If the signed comment review form is not received within 10 Business Days after Chicago's receipt of the documented comment resolution form, Joliet will notify Chicago that approval was due and must be provided within 5 Business Days.

G. Joliet will incorporate comments, as agreed to by the Parties pursuant to the process described above, into design for the next level.

H. The Parties may agree during the comment resolution meeting held pursuant to Subsection 83D above that specific comments may require additional information and discussion to resolve and, therefore, will be addressed separately. The Parties will agree on a process for resolution of these comments during the comment resolution meeting. Formal resolution of these comments will require written approval by the Commissioner and the Director of Public Utilities for Joliet.

4. Milestone Engineering Design Submittals for the Meter Vault, Suction Well and High Service Pump Station. Time periods for review are included in the review process below. Only if unforeseen circumstances arise, or if either Party requires additional information and therefore requires...
additional time, the Parties will confer and agree on a reasonable additional timeframe beyond number of Business Days stated below

A. Joliet will design each of the Meter Vault, Suction Well and High Service Pump Station to each of these specified levels: 30%, 60%, 90%, 100%.

B. Joliet will submit design documents related to site layout, site use, air gaps and meter layout to Chicago for the applicable level of review.

C. Chicago will have 20 Business Days from the date of receipt of the design documents to review the design documents and provide written comments regarding site layout, site use, air gaps and meter layout utilizing a comment review form developed mutually by the Parties. This review shall not relieve Joliet’s design consultants of any responsibility for the accuracy and completeness of the design of these Project Elements. Joliet and Chicago will meet during the review period prior to Chicago providing written comments to discuss any initial comments and questions. If no comments are received within 20 Business Days after Chicago’s receipt of the design documents, Joliet will notify Chicago that comments were due and must be provided within 5 Business Days. If no comments are received after 5 Business Days from the time that notice was given, Joliet will proceed to the next level of design.

D. Joliet will review comments within 5 Business Days after receipt of comments from Chicago. After the 5th day, Joliet and Chicago will meet and confer on resolution of comments within 5 additional Business Days. The Commissioner and the Director of Public Utilities for Joliet shall be in attendance at this meeting to authorize resolution of comments.

E. Joliet will document resolution of comments utilizing the comment review form and provide to Chicago within 5 Business Days after the comment resolution meeting.

F. The Commissioner shall sign the comment review form approving comment resolution within 10 Business Days after receipt of documented comment resolution from Joliet. If the signed comment review form is not received within 10 Business Days after Chicago’s receipt of the documented comment resolution form, Joliet will notify Chicago that approval was due and must be provided within 5 Business Days. If the signed comment review form is not received after 5 Business Days from the time that notice was given, the documented comment resolution form will be deemed approved and Joliet will proceed to the next level of design.

G. Joliet will incorporate comments, as agreed to by the Parties pursuant to the process described above, into design for next level.

5. Design Review Milestone Dates. Design review milestone dates shall be consistent with the process described above required for the Project Elements being designed by each Party. Chicago and Joliet agree that the Business Day milestones for review (such as 20 Business Days or 10 Business Days) are critical in order for Chicago to provide Water to Joliet by the Targeted Water Delivery Date. With each submittal by a Party to the other Party of complete design documents to initiate the applicable level of design review for a Project Element, the designing Party shall include a schedule of applicable dates for the design review milestones in the review process for such documents based on the requirements of [Section 1, Section 3 or Section 4] of this Exhibit D, as applicable. If Joliet provides more than one submittal to Chicago for design review, resulting in overlapping design review milestone dates for action by Chicago, the Parties will confer to address such an overlap and determine the timeframe for review. The Parties mutually agree to adjust dates for reviews and approvals as necessary to accommodate holidays and other extenuating circumstances.
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</table>
KEY PERMITS

<table>
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<tr>
<th>Project Element</th>
<th>Party Role in IEPA Permitting</th>
<th>Party Role in Chicago Permitting (Building, ROW and other necessary Permits)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunnel Connection</td>
<td>For IEPA Construction Permit,</td>
<td>Chicago and its design engineer and contractor apply for Permits,</td>
</tr>
<tr>
<td></td>
<td>Chicago's design engineer signs off;</td>
<td>Chicago signs off as Owner;</td>
</tr>
<tr>
<td></td>
<td>Chicago prepares and signs off as Applicant to Construct and as Owner</td>
<td>Chicago issues Permits</td>
</tr>
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</table>

*This Exhibit E only identifies key permits with IEPA and Chicago and is not meant to be exhaustive. For all other permits, the Parties shall meet and confer regarding their respective roles in connection with any other permits required.

**These references are to Chicago as the intended ultimate Owner of these three Project Elements. However, Joliet will be the owner during construction. Ownership of these Project Elements will be transferred to Chicago pursuant to Section 8.13.

Chicago will sign as Owner for IEPA Operating Permits for the Tunnel Connection, the Tunnel Extension, and the Low Service Pump Station following completion of satisfactory bacteriological testing. Joliet will sign as Owner for IEPA Operating Permits for the Suction Well, the High Service Pump Station and the Transmission Main-Chicago.
(Sub)Exhibit "F."
(To Water Supply Agreement With City Of Joliet)

Intergovernmental Agreement With Chicago Park District.

This Intergovernmental Agreement ("Agreement") is made and entered into on or as of the 30th day of July, 2021, by and between the Chicago Park District, an Illinois body politic and corporate (the "Park District"), and the City of Chicago, an Illinois municipal corporation and home rule unit of government (the "City"), acting by and through its Department of Water Management ("DWM").

RECITALS

WHEREAS, the City has entered into that certain "Preliminary Agreement with Respect to an Anticipated Water Supply Agreement between the City of Chicago and the City of Joliet" dated March 17, 2021 (the "Preliminary Agreement"), pursuant to which the City has agreed to provide to the City of Joliet ("Joliet", which also includes, as applicable, any regional water commission or similar body which may succeed Joliet with respect to the Preliminary Agreement and water supply) the necessary easements, access rights and other necessary property interests on land the City owns, and on land the City will acquire from the Park District, to enable Joliet to construct the Project Elements (as described in the Preliminary Agreement) and coordinate discussions and negotiations with the Park District to obtain and enter into the agreements necessary for implementation of the Water Supply Agreement (as defined in the Preliminary Agreement); and

WHEREAS, the City desires to acquire an approximately 87,500 square foot portion of the Park District's Durkin Park located at 8445 South Kolon Avenue, Chicago, Illinois 60652 as described and depicted on Exhibit A attached hereto (the "Existing Parkland") for use in support of the City's water system, specifically for the construction and operation of subsurface and surface facilities as part of the Project Elements necessary for the supply of water to Joliet (the "Project," as generally depicted on Exhibit B attached hereto), and

WHEREAS, the Park District wishes to convey the Existing Parkland to the City for the aforesaid purpose, and

WHEREAS, subject to the approval of the City Council of the City (the "City Council"), the City shall grant to Joliet a permanent easement under, over, and upon the Existing Parkland to facilitate the Project (the "Permanent Easement") and consistent with the Preliminary Agreement, pursuant to an easement agreement to be entered into between the City and Joliet (the "Permanent Easement Agreement"); and

WHEREAS, as part of the Project, the City will require Joliet to restore, at its sole cost and expense, the surface of the Existing Parkland and construct a new athletic field and support facilities thereon (currently anticipated to be a junior-sized soccer field with accompanying necessary improvements), based on a combination of consideration of community input and the Park District's specifications, and with additional details regarding the replacement improvements to be negotiated among the City, the Park District and Joliet and included in the Lease (defined below), the Permanent Easement Agreement and/or the Water Supply Agreement, and

WHEREAS, subject to the approval of the City Council, the City shall lease the Existing Parkland to the Park District pursuant to a lease or leases to be entered into between the City and the Park District (collectively, the "Lease"), with the Lease term having two parts (1) commencing on the Closing Date and ending or pausing upon commencement of construction of the Project by Joliet and having a break in Park District use and occupancy of the Existing Parkland during the construction period, and (2) re-commencing when the Project is completed.
on the Existing Parkland and Durkin Park by Joliet, in addition, the Lease shall not allow any
activities that would interfere with the Suction Well (as defined in the Preliminary Agreement) on
the Existing Parkland, the provision of water by the City to Joliet, and Joliet's provision of water
to the Joliet Customers (as defined in the Preliminary Agreement), and

WHEREAS, the Park District's rights under the Lease shall be subject to Joliet's rights
under the Permanent Easement Agreement (such that Joliet shall be a third party beneficiary of
the Lease), and Joliet's rights under the Permanent Easement Agreement shall be subject to the
Park District's rights under the Lease (such that the Park District shall be a third party beneficiary
of the Permanent Easement Agreement);

WHEREAS, Article VII, Section 10 of the 1970 Constitution of the State of Illinois
authorizes state and local governing bodies to cooperate in the performance of their
responsibilities by contracts and other agreements, and

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., similarly
authorizes public agencies, including units of local government and school districts, to contract
with one another to perform any governmental service, activity or undertaking; and

WHEREAS, the Local Government Property Transfer Act, 50 ILCS 605/0.01 et seq. (the
“Act”), authorizes and provides for municipalities (as defined in the Act) to convey, grant or transfer
real estate held by the municipality to any other municipality upon the agreement of the corporate
authorities governing the respective parties, and

WHEREAS, by ordinance adopted by the City Council on July 21, 2021, the City
authorized the execution of this Agreement by the commissioner of the Department of Water
Management (“Commissioner”), or any Commissioner designee, and the City’s performance of
its obligations hereunder, and

WHEREAS, by resolution adopted on July 16, 2021, the Board of Commissioners of the
Park District authorized the execution of this Agreement by the Park District’s General
Superintendent, the Park District’s performance of its obligations hereunder and the conveyance
of the Existing Parkland by quitclaim deed;

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions set
forth herein, and for the purpose of intergovernmental cooperation, the parties agree as follows.

1. Recitals. The foregoing recitals are incorporated in and made a part of this
Agreement by this reference

2. Transfer of Existing Parkland to the City; Reversion. The Park District
agrees to convey by quitclaim deed (“Deed”), and the City agrees to accept, all of the
Park District’s right, title and interest in the Existing Parkland on the Closing Date as
defined in Section 4 hereof and subject to the terms of this Agreement. The City agrees
to accept the Existing Parkland in its “as is” condition and subject to a reversionary
clause, providing that the Existing Parkland is subject to reversion to the Park District
in the event that Joliet elects, pursuant to Section 4.4 of the Preliminary Agreement or
the Water Supply Agreement (as defined in the Preliminary Agreement), not to
construct a portion of the Project on the Existing Parkland or to otherwise use the
Existing Parkland for water supply purposes, and such reversion to the Park District
will be in the Existing Parkland’s then-existing “as is” condition (unless required otherwise
in the Permanent Easement Agreement, specifically but not by way of limitation to restore any pre-existing athletic uses) and subject, however, to Joliet's environmental remediation and indemnification obligations, if any, under the Permanent Easement Agreement. If the Preliminary Agreement or Water Supply Agreement (as defined in the Preliminary Agreement) is terminated prior to the date on which the Park District commences the use and enjoyment of the Existing Parkland under the Lease after construction of the Project and related restoration, then the City may terminate this Agreement and the Park District shall purchase the Existing Parkland back from the City for one dollar.

3. **No Obligation to Provide Title and Survey; No Warranties, Obligation to Provide Joliet Access and Temporary Easements:**

   (a) **No Title and Survey** The Park District shall have no obligation to provide a survey of the Existing Parkland, or title insurance. The City acknowledges and agrees that it is not relying on any express or implied warranties, promises, guarantees, or representations made by the Park District or anyone acting or claiming to act on behalf of the Park District in acquiring the Existing Parkland.

   (b) **No Warranties** The City hereby expressly disclaims any express or implied warranties or covenants as to the value, character, quality, quantity or condition of the Existing Parkland or any improvements thereon.

   (c) **Joliet Access.** Notwithstanding the foregoing, the Park District agrees to cooperate with the City and Joliet in providing other available documentation and information with respect to the Existing Parkland and Durkin Park and, subject to submission to the Park District by Joliet of the Park District's customary submission requirements for such approval processes, providing all necessary temporary rights of entry and other access to Joliet as Joliet requires in order to do the necessary inspections, examinations and testing, including without limitation environmental and geotechnical assessments, of the Existing Parkland and Durkin Park in connection with determining whether the Existing Parkland and Durkin Park are an appropriate location for the Project.

   (d) **Joliet Temporary Easements** The Park District agrees to cooperate with the City in providing temporary easements for construction to Joliet for the purpose of Joliet's construction of the Project as well as restoration, which areas include, without limitation, the following, which are referred to collectively as the "Temporary Easements" (1) the parcel west of the Existing Parkland, which is labeled on Exhibit B as "10 Acre Construction Easement" ("Primary Construction Easement"), and (2) any areas adjacent to and north of the Existing Parkland and Primary Construction Easement required to transition the grade from those areas to the grade level of the remainder of Durkin Park.

4. **Closing Date.** The closing date for transfer of title to the Existing Parkland ("Closing Date") will occur on a date mutually acceptable to the parties hereto, and on a date that will not impair or impede progress on the Project, and in no event later than December 31, 2022. The Permanent Easement Agreement, the agreement(s) for Temporary Easements and the Lease shall be approved and executed concurrently with the Closing Date.

5. **Delivery of Possession.** Possession of the Existing Parkland shall be delivered on the Closing Date.
6. **Park District's Continuing Right to Use Prior to Closing Date** From the date hereof through the Closing Date, subject to the terms and conditions of this Agreement, the Park District shall have the right to continue to use the Existing Parkland for its existing purposes, which purposes shall in no way increase the difficulty of or burden on Joliet’s Project. The City shall provide the Park District with at least fourteen (14) days’ notice of any scheduled plan for Joliet to use the Existing Parkland prior to the Closing Date, in order to minimize disruption to any previously scheduled community activities on the Existing Parkland. The Park District shall not enter into any agreements for the sale, development, improvement or use of the Existing Parkland or Durkin Park without the prior written consent of the City, which shall be in the City’s sole discretion and consistent with the Preliminary Agreement. The foregoing prohibition shall exclude only improvement and use agreements entered into by the Park District in the ordinary course of business and necessary to the continued use and operation of the Existing Parkland for its existing purposes but which shall in no way increase the difficulty of or burden on Joliet’s Project. Prior to the Closing Date, the Park District shall not enter into any agreements for the sale, development, improvement or use of the Existing Parkland or Durkin Park without the prior written consent of the City, which shall be in the City’s sole discretion and consistent with the Preliminary Agreement. The foregoing prohibition shall exclude only improvement and use agreements entered into by the Park District in the ordinary course of business and necessary to the continued use and operation of the Existing Parkland for its existing purposes but which shall in no way increase the difficulty of or burden on Joliet’s Project. Prior to the Closing Date, the Park District shall maintain the Existing Parkland in good condition and repair, in a manner consistent with all other similarly situated Park District properties.

7. **Land Approvals.** The Park District shall have no obligation to obtain any zoning or other land use approvals that may be required for the Project, provided, however, the Park District agrees to cooperate with the City and Joliet to the extent necessary to obtain such approvals.

8. **Environmental Condition.**

(a) The City acknowledges and agrees that the Park District has made no representations concerning the presence or absence of Hazardous Substances (as defined below) on the Existing Parkland or any property adjacent thereto and that the Park District has made no representations concerning the existence or non-existence of any violation, past or present, of Environmental Laws (as defined below) affecting the Existing Parkland. The City hereby waives any and all claims, actions, causes of action, suits or demands of any nature against the Park District which it may have now or in the future for damages, payments, costs, or expenses (including, without limitation, claims of contribution or indemnity and any expenses of investigation of the condition of the Existing Parkland, regardless of the results of such investigation) suffered by the City as a result of the presence or possible presence of any Hazardous Substances on or near the Existing Parkland or the violation, at any time in the past, present, or future, of any Environmental Laws affecting the Existing Parkland. This waiver shall survive the Closing Date.

(b) As used in this Agreement, the following terms shall have the following meanings.

7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., any and all regulations promulgated under such Laws, and all analogous state and local counterparts or equivalents of such Laws, including, without limitation, the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., and the common law, including, without limitation, trespass and nuisance.

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

“Laws” means all applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, executive orders or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments.

9 Permanent and Temporary Easements and Other Park Properties; Payments.

(a) Restoration on Permanent Easement. After completion of construction of the Project on the Existing Parkland, the City will require Joliet to restore the Existing Parkland and construct the athletic field and facilities as are generally described in the Fifth Whereas Clause of this Agreement.

(b) Replacement Facilities on Other Park Properties. The City acknowledges that the Park District’s use of the southern portion of Durkin Park (including both the Existing Parkland and the adjacent portion of Durkin Park that will be required for the Primary Construction Easement as shown on Exhibit B) will be disrupted during the construction of the Project on Durkin Park. The City and Joliet will negotiate an agreement pursuant to which Joliet will, on the Closing Date, pay an amount, subject to negotiation, which the Park District will use to construct improvements at other Park District locations in the area (which may include other portions of Durkin Park not subject to the Permanent Easement or Temporary Easements) to accommodate increased demand due to the unavailability of the Existing Parkland and the Temporary Easements. The funds for said improvements (i) shall be provided so long as the City grants the Permanent Easement to Joliet and the Park District grants the Temporary Easements required for the Project to Joliet, and (ii) shall be in the amount negotiated between the City and the Park District. Additional details regarding the replacement improvements will be negotiated among the City, the Park District and Joliet and included in the Lease, the Permanent Easement Agreement, agreement(s) for Temporary Easements and/or the Water Supply Agreement.

(c) Permanent Easement. The City shall grant to the Park District some or all of any compensation received from Joliet for the use of the Permanent Easement.

10 Warranties and Representations. In connection with the execution of this Agreement, the City and Park District each warrant and represent that it is legally authorized to execute and perform or cause to be performed this Agreement under the
11. **Non-liability of Public Officials.** No official, employee or agent of the City or the Park District shall be charged personally by the other party with any liability or expense of defense or be held personally liable under any term or provision of this Agreement or because of the City’s or Park District’s execution or any breach hereof.

12. **Entire Agreement.** This Agreement, and the exhibits attached hereto and incorporated herein, shall constitute the entire Agreement between the parties. There are no representations, warranties, conditions or other agreements, whether direct or collateral, or express or implied, that form part of or affect this Agreement, or that induced any party to enter into this Agreement or on which reliance is placed by any party, except as specifically set forth in this Agreement.

13. **No Third Party Beneficiary.** This Agreement is for the sole and exclusive benefit of the City, the Park District and their respective successors and assigns.

14. **Counterparts.** This Agreement is comprised of two or more identical counterparts, each of which may be fully executed by the parties and, executed, will be deemed an original having identical legal effect.

15. **Governing Law.** This Agreement shall be governed by and construed in accordance with Illinois law, without regard to its conflicts of law principles.

16. **Authority.** The conveyance and acceptance of the Existing Parkland is authorized under the Local Government Property Transfer Act.

17. **Amendments.** No changes, amendments, modifications or discharge of this Agreement, or any part hereof, shall be valid unless in writing and signed by authorized officers of the City and Park District or their respective successors and/or assigns.

18. **Severability.** If any provisions of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentence clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof.

19. **Interpretation.** Any headings of this Agreement are for convenience of reference only and do not define or limit the provisions thereof. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa, unless the context shall otherwise indicate. All references to any exhibit or document shall be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms and conditions thereof. All references to any person or entity shall be deemed to include any person or entity succeeding to the rights, duties and obligations of such persons or entities in...
accordance with the terms and conditions of this Agreement

20 **Cooperation.** The City and Park District agree at all times to cooperate fully with one another in the implementation of this Agreement.

21 **Assignment.** Neither the City nor the Park District shall assign, delegate or otherwise transfer all or any part of their rights or obligations under this Agreement, or any part hereof, unless as approved in writing by the other party. The absence of written consent shall void the attempted assignment, delegation or transfer and shall render it of no effect.

22 **Force Majeure.** Neither the City nor Park District shall be obligated to perform any of their obligations hereunder if prevented from doing so by reasons outside of their reasonable control, including but not limited to, events of force majeure.

23. **Time of Essence.** Time is of the essence in this Agreement.

24. **Waiver.** The failure by either party to enforce any provisions of this Agreement shall not be construed as a waiver or limitation on that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

25. **Notices.** All notices and communications concerning this Agreement shall be sent as follows:

If to the Park District: Chicago Park District
541 North Fairbanks
Chicago, Illinois 60611
Attn: General Superintendent

With a copy to: Office of the General Counsel
541 North Fairbanks
Chicago, Illinois 60611
Attn: General Counsel

If to the City: City of Chicago
Department of Water Management
1000 East Ohio Street
Chicago, Illinois 60611
Attn: Commissioner

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

Unless otherwise specified, any notice, demand, communication or request required hereunder shall be given in writing at the addresses set forth above and shall be effective (a) if given by
personal service, upon delivery, (b) if sent by overnight courier, effective on the business day after delivery to such courier, or (c) if sent by registered or certified mail, return receipt requested, effective three (3) business days after mailing. The notice address for a party may be changed by giving notice in the manner provided in this section.

26. Termination. This Agreement shall commence as of the date of execution and, except as expressly provided herein, shall terminate on the Closing Date, upon which any contractual responsibilities to the other party shall terminate (except for those which expressly survive termination).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CITY OF CHICAGO, a municipal corporation and home rule unit of government,

By
Andrea R.H. Cheng, Ph.D., P.E.
Commissioner
Department of Water Management

CHICAGO PARK DISTRICT, an Illinois body politic and corporate

By
Michael P. Kelly
General Superintendent and CEO

ATTEST

By
Kantrice Ogletree
Secretary
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written

CITY OF CHICAGO, a municipal corporation
and home rule unit of government.

By ____________________________
Andrea R.H Cheng, Ph.D., P.E.
Commissioner
Department of Water Management

CHICAGO PARK DISTRICT, an Illinois body politic and corporate

By ____________________________
Michael P. Kelly
General Superintendent and CEO

ATTEST

By ____________________________
Sarah Gelder
Secretary
(Sub)Exhibit "B" referred to in this Intergovernmental Agreement with Chicago Park District printed on page 62043 of this Journal.

(Sub)Exhibit "A" and First Amendment to Intergovernmental Agreement with Chicago Park District referred to in this Intergovernmental Agreement with Chicago Park District reads as follows:

(Sub)Exhibit "A".
(To Intergovernmental Agreement With Chicago Park District)

*Legal Description And Depiction Of Existing Parkland.*

The existing parkland consists of approximately 2 acres in the southeast corner of Durkin Park (measuring approximately 250 feet of north/south by 350 feet east/west), which park is described as Parcels 1 and 2 in the attached.

[Attached document referred to in this Legal Description printed on page 62042 of this Journal]
Attachment.
(To Legal Description)

EXHIBIT "A"
PARCEL 1 LOTS 1, 2, 3, 4, 5, 6, 7 AND 8 TOGETHER WITH THE WEST 1/2 OF VACATED TRIPP AVENUE LYING ADJACENT TO SAID LOTS 1, 2, 3, 4 AND 5, AND TOGETHER WITH THE EAST 1/2 OF VACATED KILDARE AVENUE LYING ADJACENT TO SAID LOTS 6, 7 AND 8, ALL IN BLOCK 37 INCLUDING THE VACATED ALLEY RUNNING NORTH AND SOUTH IN SAID BLOCK 37 IN FREDERICK H. BARTLETT'S CITY OF CHICAGO SUBDIVISION OF LOTS 2 AND 3 IN ASSESSOR'S SUBDIVISION OF SECTION 34, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PART OF THE EAST 199 FEET OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION 34 AS LIES IN SAID LOT 3 AND EXCEPT RAILROAD) IN THE CITY OF CHICAGO, COUNTY OF COOK, AND STATE OF ILLINOIS.

PARCEL 2 LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 AND 10 TOGETHER WITH THE EAST 1/2 OF VACATED TRIPP AVENUE LYING ADJACENT TO SAID LOTS 1, 2, 3, 4 AND 5, AND TOGETHER WITH THE WEST 1/2 OF VACATED KELLER AVENUE LYING ADJACENT TO SAID LOTS 6, 7, 8, 9 AND 10, ALL IN BLOCK 38 INCLUDING THE VACATED ALLEY RUNNING NORTH AND SOUTH IN SAID BLOCK 38 IN FREDERICK H. BARTLETT'S CITY OF CHICAGO SUBDIVISION OF LOTS 2 AND 3 IN ASSESSOR'S SUBDIVISION OF SECTION 34, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PART OF THE EAST 199 FEET OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION 34 AS LIES IN SAID LOT 3 AND EXCEPT RAILROAD) IN THE CITY OF CHICAGO, COUNTY OF COOK, AND STATE OF ILLINOIS.

PARCEL 3 LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 AND 10 TOGETHER WITH THE EAST 1/2 OF VACATED KELLER AVENUE LYING ADJACENT TO SAID LOTS 6, 7, 8, 9 AND 10, ALL IN BLOCK 39 INCLUDING THE VACATED ALLEY RUNNING NORTH AND SOUTH IN SAID BLOCK 39, IN FREDERICK H. BARTLETT'S CITY OF CHICAGO SUBDIVISION OF LOTS 2 AND 3 IN ASSESSOR'S SUBDIVISION OF SECTION 34, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PART OF THE EAST 199 FEET OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION 34 AS LIES IN SAID LOT 3 AND EXCEPT RAILROAD) IN THE CITY OF CHICAGO, COUNTY OF COOK, AND STATE OF ILLINOIS.
(Sub)Exhibit “B”.
(To Intergovernmental Agreement With Chicago Park District)

Depiction Of The Project.
First Amendment To Intergovernmental Agreement With Chicago Park District.  
(To Intergovernmental Agreement With City Of Joliet)

This First Amendment to Intergovernmental Agreement ("First Amendment") is made and entered into on or as of December 31, 2022, by and between the Chicago Park District, an Illinois body politic and corporate (the "Park District"), and the City of Chicago, an Illinois municipal corporation and home rule unit of government (the "City"), acting by and through its Department of Water Management ("DWM"). Capitalized terms set forth in this First Amendment have the meaning set forth in the Intergovernmental Agreement (as defined below), unless otherwise defined herein.

RECITALS

WHEREAS, the City and the Park District have previously entered into that certain Intergovernmental Agreement, dated on or as of July 30, 2021 ("Intergovernmental Agreement"), relating to the City's acquisition of approximately 87,500 square foot portion of the Park District's Durkin Park located at 8445 South Kolin Avenue, Chicago, Illinois 60652, as described and depicted on Exhibit A of the Intergovernmental Agreement (the "Existing Parkland") for use in support of the City's water system, specifically for the construction and operation of subsurface and surface facilities as part of the Project Elements necessary for the supply of water to Joliet (the "Project," as generally depicted on Exhibit B of the Intergovernmental Agreement); and

WHEREAS, the Park District and the City desire to extend the outside Closing Date for transfer of title to the Existing Parkland set forth in Section 4 of the Intergovernmental Agreement, from December 31, 2022 to July 31, 2023; and

WHEREAS, the Park District and the City had anticipated that the City would require Joliet to restore, at its sole cost and expense, the surface of the Existing Parkland and construct a new athletic field and support facilities thereon, which as of the Effective Date of the Intergovernmental Agreement was anticipated to be a junior-sized soccer field with accompanying necessary improvements, based on a combination of consideration of community input and the Park District's specifications, and with additional details regarding the replacement improvements to be negotiated among the City, the Park District and Joliet and included in the Lease, the Permanent Easement Agreement and/or the Water Supply Agreement; and

WHEREAS, the Park District and the City now anticipate that as part of Joliet's improvements to the Existing Parkland, instead of a junior-sized soccer field with accompanying necessary improvements, Joliet will develop a natural grass recreation space;

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions set forth herein, and for the purpose of intergovernmental cooperation, the parties agree as follows:

1. Section 4 (Closing Date) of the Intergovernmental Agreement is amended and restated to read as follows:

"The closing date for transfer of title to the Existing Parkland ("Closing Date") will occur on a date mutually acceptable to the parties hereto, and on a date that will not impair or impede progress on the Project, and in no event later than July 31, 2023. The Permanent Easement Agreement, the agreement(s) for Temporary Easements and the Lease shall be approved and executed concurrently with the Closing Date."
2. Except as amended hereby, the intergovernmental Agreement shall continue in full force and effect as the binding obligations of the City and Park District.

(Signature Page Follows)
IN WITNESS WHEREOF, the parties have executed this First Amendment as of the day and year first above written.

CITY OF CHICAGO, a municipal corporation and home rule unit of government,

By: Andrea H. Cheng, Ph.D., P.E.
Commissioner
Department of Water Management

CHICAGO PARK DISTRICT, an Illinois body politic and corporate

By: Rosa Escareno
General Superintendent and CEO

ATTEST:

By: Sarah Gelder
Secretary
IN WITNESS WHEREOF, the parties have executed this First Amendment as of the day and year first above written.

CITY OF CHICAGO, a municipal corporation
and home rule unit of government,

By: ________________________________
   Andrea R.H. Cheng, Ph.D., P.E.
   Commissioner
   Department of Water Management

CHICAGO PARK DISTRICT, an Illinois body politic and corporate

By: ________________________________
   Rosa Escareno
   General Superintendent and CEO

ATTEST:

By: ________________________________
   Sarah Gelder
   Secretary
(Sub)Exhibit "G".
(To Water Supply Agreement With City Of Joliet)

Water Storage Volumes.
(As Of The Effective Date)

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<th>Community</th>
<th>Total Storage (MG)*</th>
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<td>Channahon</td>
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<tr>
<td>Agua Illinois -- Oakview Avenue Water Works Service Area</td>
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(Sub)Exhibit "H".
(To Water Supply Agreement With City Of Joliet)

Advisory Council Tasks.

1. Review, on an annual basis, the Capital Improvement Program of the Chicago Water System and inform the wholesale customers about scheduled capital improvements, routine operation and maintenance that may, in part, impact wholesale customers;

2. Periodically review, discuss and evaluate (a) the complete annual cost of service study for the Chicago Water System, including the rates, rate methodology and performance of the Chicago Water System based on the information furnished by Chicago as well as (b) changes or adjustments to Chicago water rates and rate methodology; and provide recommendations related to rate setting methodology, the status of any rate adjustments and the inputs and assumptions required for the annual cost of service study for wholesale customers;

3. Review and provide input, at least annually, on the budget components for the Chicago Water System;

* MG = million gallons
4. Collaborate regarding matters affecting the water industry and customers of the Chicago Water System and supply of water in the northeastern Illinois region, including development and implementation of water policy and legislation as well as public information and education;

5. Encourage continued and ongoing day-to-day communications between operators of the Chicago Water System and operators of the wholesale customers' water systems;

6. Identify and provide input on measures to encourage the addition and retention of wholesale water customers of Chicago;

7. Review Lake Michigan water use requirements, Non-Revenue Water reduction and the impact of potential future wholesale and other large quantity customers on the Chicago Water System;

8. Provide input regarding the quality and source of raw Lake Michigan water as well as treated Lake Michigan water provided by Chicago to the wholesale customers;

9. Provide input to Chicago to develop appropriate methods for, and to improve, operational coordination in the operation of the Chicago Water System as it delivers Lake Michigan water to the wholesale customers;

10. Review, discuss and communicate regarding potential and actual events that may result in planned curtailment or planned shutdowns of, or other impacts on, the Lake Michigan water supply;

11. While acknowledging that Chicago is subject to applicable provisions under the Municipal Code of Chicago and other procurement rules and regulations, suggest, review and provide input to Chicago on cost effectiveness and cost control initiatives in contractual services, commodities and services provided by Chicago directly related to Chicago's provision of Lake Michigan water to wholesale customers where Chicago departments provide support and services to the DWM;

12. Review and discuss operational cost effectiveness and efficiencies affecting water rates;

13. Conduct a review of the billing procedures, schedules and invoices from Chicago to the wholesale customers who are Members of the Advisory Council, and any changes or adjustments to the rate; and

14. Review Chicago's audited financial statements and financing plans pertaining to the Chicago Water System, as well as any costs allocated to the wholesale customers.
EASEMENT AGREEMENT
FOR
DURKIN PARK

This Easement Agreement ("Agreement") is entered into as of this ___ day of ____, 2023 ("Effective Date"), by and between the City of Chicago, an Illinois municipal corporation and home rule unit of government ("Chicago"), by and through its Department of Water Management (including any successor department thereto, "DWM"), and the City of Joliet, an Illinois municipal corporation and home rule unit of government ("Joliet"). Chicago and Joliet are sometimes referred to herein jointly as the "Parties" or individually as a "Party." This Agreement has been authorized by an ordinance adopted by the City Council of the City of Chicago ("Chicago City Council") on _________, 2023, and by an ordinance adopted by the City Council of the City of Joliet ("Joliet City Council") on _______ 2023.

RECITALS

WHEREAS, Chicago, is the owner of the approximately 87,500 square feet of land legally described on Exhibit 1 attached hereto and depicted on the plat of easement (the "Plat") attached hereto as Exhibit 2 (such described and depicted land, the "Easement Area"), which is a portion of Durkin Park located at 8445 South Kolin Avenue, Chicago, Illinois 60652, the remainder of which park is owned by the Chicago Park District (the "District"); and

WHEREAS, the Easement Area is directly adjacent on the west to Chicago-owned property located at 8422 South Kedvale Avenue a/k/a 8405 S Keeler Avenue, Chicago, Illinois 60652 (PIN 19-34-412-011-0000), which is the site of DWM's Southwest Pumping Station (the "Station"), and
WHEREAS, pursuant to an Intergovernmental Agreement dated July 30, 2021 (the "IGA") by and between the District and Chicago, the District has previously conveyed, via quitclaim deed (the "District Deed"), the Easement Area to Chicago for the construction and operation of that certain suction well to be installed as an underground tank in the Easement Area and including all underground and above-ground structures and appurtenances necessary for the operation and maintenance of said suction well, which will be used to supply water to Joliet and any regional commission or similar body which may succeed Joliet with respect to such water supply (collectively, the "Suction Well"), all as depicted in Exhibit 3 attached hereto; and

WHEREAS, Joliet shall use the Easement Area for the construction, operation, maintenance and repair of the Suction Well (collectively, the "Permitted Use") pursuant to this Agreement and that certain water supply agreement with Chicago dated contemporaneously herewith (the "Water Supply Agreement"). Capitalized terms not defined in this Agreement shall have the meanings set forth in the Water Supply Agreement; and

WHEREAS, pursuant to the Water Supply Agreement, upon completion of construction of the Suction Well, Joliet shall at its sole cost and expense restore the surface (i.e., at grade) of the Easement Area (the "Surface Easement Area") for recreational use, which Joliet shall at its sole cost and expense, after acceptance by Chicago with concurrence of the District, and Chicago shall lease to the District for such recreational use pursuant to the certain lease dated and recorded concurrently herewith (the "Lease"), and Joliet’s right to use the Surface Easement Area shall be limited to a Permitted Use and shall be limited to those areas on which are located the above-ground structures and appurtenances necessary for the operation and maintenance of the Suction Well;

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals.** The recitals set forth above constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the Parties.

2. **Grant of Easement.** Subject to the terms and conditions of this Agreement, Chicago hereby grants to Joliet a non-exclusive easement ("Easement") on and under the Easement Area for the Permitted Use, which Joliet shall undertake at Joliet’s sole cost and expense.

3. **Terms.** The following terms and conditions apply to the Easement:
   
   (a) The Easement is an easement appurtenant in favor of Joliet.
   
   (b) The Easement granted under this Agreement commences on the date hereof and is coterminous with the Water Supply Agreement, provided, however, that the Easement shall immediately terminate, and the Easement Area shall revert back to the District in the Easement Area’s then existing "as is" condition and subject to the environmental and indemnification provisions set forth in this Agreement, if Joliet (1) as set forth in the IGA, elects, pursuant to the Water Supply Agreement, not to construct the Suction Well, or otherwise use the Easement Area for water supply purposes, or (2) abandons or forfeits the Easement. Notwithstanding the foregoing, in the event that Joliet has commenced and/or completed construction of the Suction Well, then the termination
date of the Easement shall be extended by mutual agreement of the parties for the purpose of decommissioning the Suction Well, restoring the Easement Area, or both.

(c) Joliet represents and warrants to Chicago that its contractors are and shall be licensed, as applicable, to perform the Permitted Use.

(d) Compensation. Within thirty (30) days of the effective date of this Agreement, Joliet will pay to Chicago the sum of the dollar amounts set forth in Exhibit 4 attached hereto, which amounts represent the Parties’ determination of the value of the Easement plus the value of the various temporary easements that the District will grant Joliet, which temporary easements are located in Durkin Park on District property. Chicago will transfer to the District the compensation paid by Joliet for the temporary easements on District property.

4. Joliet’s Obligations.

(a) Prior to the commencement of construction or of any alterations to the Easement Area, Joliet shall deliver proposed plans and specifications for such alterations to the Commissioner for DWM’s review and approval. Joliet expressly warrants that any such alterations shall be designed and constructed in compliance with all applicable Laws in effect at the time. For purposes of this Agreement, “Law” means any order, writ, injunction, decree, judgment, law, ordinance, decision, principle of common law, opinion, ruling, policy, statute, code, rule, or regulation of any Governmental Authority.” “Governmental Authority” means any court, federal, state, or local government, department, commission, board, bureau, agency or other regulatory, administrative, governmental or quasi-governmental authority.

(b) Joliet shall be responsible for obtaining approvals of, and paying at its sole cost and expense for, any and all removals, relocations, alterations, additional maintenance and restorations of or to any utility or public service structures or the Suction Well, or any other structures, located in, adjacent to, or in close proximity to, the Easement Area which are owned by Chicago, the District, or any third-party utility or entity, including, but not limited to, the Station, including the Station site and the Station’s appurtenances, pavements, bridges, poles and other infrastructure and utilities, which are or may be necessary or appropriate to facilitate work by Joliet or its contractors or its agents related to the Suction Well. Joliet shall be responsible for obtaining the consent of and making suitable arrangements with all applicable entities owning or having an interest in such structures and the Suction Well, including any department of Chicago.

(c) Joliet, at its cost and sole expense, shall secure all necessary permits and approvals for the Permitted Use, and provide all legally required public notices, if any, for the Permitted Use.

(d) Disposal Obligations. Joliet shall be responsible for the proper removal, transportation and disposal of all hazardous substances as defined in 415 ILCS 5/3-215, waste as defined in 415 ILCS 5/1 et seq (including but not limited to 415 ILCS 5/3-535), contaminants as defined in 415 ILCS 5/3-165, as amended from time to time, and any “Other Regulated Material” as defined in Sections 4(d)(i) to (ii), that is encountered as part of or resulting from its use of the Easement Area.
Unless sufficient testing is performed to determine compliance with Illinois EPA's Clean Construction and Demolition Debris ("CCDD") regulations, all soil being removed during construction must be disposed of in accordance with applicable regulations to a Subtitle D landfill. If soil or CCDD must be removed from the Easement Area, it must be disposed of at a properly permitted landfill with prior approval from the Chicago Department of Assets, Information and Services, or any successor department thereto ("AIS"). No soil or materials generated from the Easement Area can be disposed as "uncontaminated soil" using an IEPA LPC-662 Source Site Certification, unless approved by AIS. All soil disposed as CCDD or uncontaminated soil must be sampled and an LPC-663 Uncontaminated Soil Certification must be used.

Joliet must obtain written approval from AIS of all reuse, recycling and disposal locations before any Hazardous Substances, Waste, Contaminants or Other Regulated Material, each as defined in the first paragraph of this Section 4(d) may be sent to such locations. If soil is sent to a location that is not approved by AIS, Joliet must retrieve the materials and take it to an approved location at Joliet's sole cost and expense.

i. "Contaminant" means any of those materials set forth in 415 ILCS 5/3 165, as amended from time to time, that are subject to regulation under any Environmental Law.

ii. "Environmental Law(s)" means any Federal, state, or local law, statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq., the Toxic Substances Control Act, 15 U.S.C § 2601 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq., the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.; the Gasoline Storage Act, 430 ILCS 15/0.01 et seq., the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago ("MWRD"), the Municipal Code of Chicago; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

iii. "Hazardous Substance" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

iv. "Law" means any applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, executive orders or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments.
"Other Regulated Material" means any Waste, Contaminant, material meeting 35 IAC Part 742.305, or any other material, not otherwise specifically listed or designated as a hazardous substance, as defined in 415 ILCS 5/3.215, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons, such as chlorine.

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

(e) Generator Designation. In such cases, in the event a signature as "Generator" is required on waste manifests, waste profile sheets or generator’s certifications of non-special waste, Joliet shall ensure that either Joliet or its contractor, subcontractor, or other party working on behalf of Joliet signs such documents.

(f) Imported Material Any backfill material brought on to the Easement Area must be either a) certified virgin stone or b) tested for Target Compound List parameters (35 Ill. Adm. Code 740, Appendix A) and meet the most stringent objects for residential land use included in 35 Ill. Adm. Code 742, Appendix B, Table A. Based on the scope of work, AIS may waive this requirement.

Quarry generated virgin source materials do not need to be tested, but certification from the source (quarry) must be provided to AIS prior to importing the material to the Easement Area.

Tested material shall be verified by providing results from a laboratory accredited by the IEPA’s Environmental Laboratory Accreditation Program. The date of the analysis shall be within 90 days of importing such material to the Easement Area unless otherwise approved by Chicago. Prior to importing, non-virgin source materials shall be sampled at a frequency of one (1) sample per 500 cubic yards per source unless otherwise approved by Chicago.

Joliet must keep copies of all daily reports, transport manifests, and weight tickets or receipts (as applicable) documenting all materials imported to the Easement Area and detailing where they were specifically placed.

No biosolids or biosolids-based products from the Metropolitan Water Reclamation District or any other source may be imported for any purpose.

(g) Environmental Requirements.

Any underground storage tanks ("USTs") identified must be removed and closed in accordance with applicable regulations including 41 Ill. Adm. Code 175 and any identified leaking USTs must be properly addressed in accordance with 35 Ill. Adm. Code 734.
ii. All sampling should be conducted in accordance with all applicable subsections of Title 35: Environmental Protection, Subtitle G: Waste Disposal and Chapter I: Pollution Control Board of the Illinois Administrative Code.

iii. Unless otherwise approved by Chicago, all soil boring and/or monitoring wells installed must be properly abandoned within the Term of the Agreement and pursuant to the requirements provided in Section 920 120 of the Illinois Water Well Construction Code (77 Ill. Adm. Code 920).

iv. If any bore holes exceed 30 feet in depth, gas levels must be measured at the surface of the borehole. If gas levels exceed the warning level (10-20% of Lower Explosive Limit (LEL)), all drilling and construction activities in the immediate vicinity of the borehole must be stopped. Once the gas meter levels indicate that the methane in the borehole has dissipated or is below the warning level (10-20% of LEL), the construction activities may continue.

v. Joliet shall not use or store any Hazardous Substances on the Easement Area or City property unless otherwise approved by Chicago. Joliet shall promptly notify Chicago if any Hazardous Substances are found or spilled on the Easement Area.

vi. A Soil Management Plan ("SMP") must be prepared and implemented during construction to document, at a minimum: the site-specific soil excavation, disposal, storage, and reuse procedures; imported material testing requirements; and environmental oversight plan. The SMP is subject to AIS review and approval prior to being implemented. Based on the scope of work, AIS may waive this requirement.

vii. If Joliet or its Agents causes a spill or release of a hazardous substance during the construction of the Joliet New Water Supply Infrastructure, Joliet or its Agents must stop work immediately and contact AIS’s Environmental Health and Safety Bureau’s Deputy Commissioner at 312-744-9139 and kimberly.worthington@cityofchicago.org, or other person as Chicago may identify by notifying Joliet. Joliet shall be responsible for cleaning up the spill including waste disposal as well as all notifications and reporting to any applicable agencies.

viii. Joliet and its Agents shall comply at all times with any and all applicable municipal, county, state, federal or other statutes, or Laws. Contract provisions that are required to be included in this Agreement by any such Laws shall be deemed included.

ix. In the event that the construction of the Joliet New Water Supply Infrastructure is not completed, Joliet must restore the Easement Area in accordance with Section [8] (Disposition of Joliet New Water Supply Infrastructure) of the Water Supply Agreement. In addition, Joliet shall be responsible for any contamination that was caused, permitted or exacerbated during the construction of the Joliet New Water Supply Infrastructure or any damage to the Easement Area or any surrounding property, structures, utility lines or subsurface lines or cables caused by the acts or omissions of Joliet, including but not limited to, vandalism or misuse of the Easement Area, and shall undertake any repairs necessitated by such acts or omissions.

(h) Access Requirements.
i. If Joliet plans to perform "Future Maintenance and Repair" (as defined below), Joliet must notify the City and the District’s Department of Planning and Construction, or any successor department, of same prior to the commencement of work, and must comply with the District’s then-current requirements for a general access permit, which determination of compliance shall be made by the District or the City, and not unreasonably withheld or delayed. For purposes of this Section 4(h), "Future Maintenance and Repair" means planned activities requiring use of the Easement Area that would prevent park uses, which are (1) disturbing soils in the Easement Area, (2) bringing in heavy equipment or (3) securing all or a portion of the Easement Area in order for maintenance and repair to be done.

ii. Joliet must notify the City and the District as soon as practicable of any "Emergency Action" (as defined below). In addition, Joliet must, as soon as practicable, but in no event more than 24 hours after the commencement of the Emergency Action, comply with the District’s then-current requirements for a general access permit, which determination of compliance shall be made by the District or the City, and not unreasonably withheld or delayed. For purposes of this Section 4(h), "Emergency Action" means any work that results from unplanned events that require prompt or immediate action to protect the Joliet New Water Supply Infrastructure or the water supply, or property or persons within Durkin Park or the Station site and the immediate vicinity.

5. Uses within the Easement Area

(a) Joliet may not use or permit the use of the Easement Area for any purpose other than the Permitted Use, subject to the Lease.

(b) Chicago reserves the right to access the Easement Area at Chicago’s sole discretion.

(c) This Easement shall be subject to the Lease. Chicago shall provide Joliet copies of the Lease and any amendments to it; any such amendments to the Lease that adversely affect Joliet’s rights and obligations hereunder shall be subject to Joliet’s prior written consent, which shall not be unreasonably withheld and shall be provided to Chicago within ten (10) business days. If Joliet does not provide Chicago within such ten (10) business days its written objection to a proposed Lease amendment that adversely affects its rights and obligations under this Agreement, Joliet shall be deemed to have consented to it. Pursuant to Section 4.2 of the Lease, Joliet shall have the right of access to the Surface Easement Area for the purpose of inspecting the same and maintaining, repairing, replacing and operating the Suction Well, provided that except in the case of emergencies, Joliet shall first give ten (10) business days’ notice to the District, with a copy to Chicago, of its desire to enter the Surface Easement Area and will schedule its entry so as to minimize any interference with the District’s use, and the public’s enjoyment, of the Surface Easement Area.

(d) Joliet, its agents, and its employees shall not perform or permit any practice that (i) is injurious to the Easement Area, (ii) unreasonably disturbs area residents, (iii) is illegal, or (iv) causes or may cause increases to the rate of insurance on the Easement Area. Joliet and its agents and employees shall not sell, give away or consume any alcoholic beverages or illegal drugs of any kind or nature on the Easement Area.
(e) Joliet shall not interfere, and shall not permit its contractors to interfere, with the District's access to the surface of Durkin Park that is above the Easement Area, or with the District's security, parking, equipment storage or grounds maintenance at Durkin Park.

6. Alterations. Other than the Suction Well, Joliet may not erect any structures, install any infrastructure or make any use of the Easement Area which in the judgment of Chicago would interfere with: Chicago's use, operation, inspection, maintenance, repair, renewal or reconstruction of the Station or other property or facilities owned by Chicago; the District's use of the Surface Easement Area under the Lease, or any third-party infrastructure.

7. Termination and Closure Subject to the terms of the Water Supply Agreement, Joliet shall have the right to terminate this Easement at any time, provided that upon such termination, Joliet, at its sole expense, shall, as promptly and as reasonably possible remove the Suction Well from the Easement Area and restore the surface of the Easement Area to the previous or then-current recreational use.

8. Restoration. Joliet shall restore the Easement Area to the extent altered, disturbed or damaged by the construction, use, operation, inspection, maintenance, repair, replacement or removal of the Suction Well, and all work related thereto, to a proper condition under the supervision and to the satisfaction of the Commissioner, to DWM standards, and in accordance with the Municipal Code of Chicago.

9. Indemnity.

(a) Except with respect to the wrongful intentional acts of Chicago or the District (to the extent the same are the cause of an injury or loss to a third person), Joliet hereby indemnifies and agrees to hold harmless and defend Chicago and the District from and against any and all claims, demands, damages, lawsuits, legal proceedings, losses, liens, liabilities, judgments, orders or decrees, and all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees, court costs, and other reasonable expenses related to litigation), arising from or as a result of the death of, or any accident, injury, loss or damage whatsoever caused to Chicago or the District, any natural person, or Chicago's or the District's property, including but not limited to the Easement Area, the Station (including the Station site and the Station's appurtenances), the property of any person, arising out of this Agreement or the Water Supply Agreement or the occupancy, use, operation, maintenance, repair or replacement of the Suction Well or the Easement Area by Joliet, its officers, employees, agents and invitees. If legal action is taken against Chicago or the District or their agents or any claim is made relating to the Easement Area or the Suction Well as a result of the foregoing, Chicago or the District may elect to tender said defense to Joliet which shall and must defend such action or claim at Joliet's own expense and Chicago or the District shall cooperate with Joliet in the defense thereof. Chicago and the District shall have the right to join Joliet as a party defendant in any such legal action. This indemnity shall not be the exclusive remedy of Chicago or the District, and Chicago and the District shall maintain whatever other rights of indemnity they may have under common law, by statute, or by ordinance. This indemnification shall survive any termination or expiration of this Agreement and shall not be limited by any insurance coverages set forth in the Water Supply Agreement.
(b) Joliet, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under any of them, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity leasing, occupying, using or possessing any portion of the Easement Areas under or through Joliet following the date of the this Agreement (collectively, the "Joliet Parties"), hereby releases, relinquishes and forever discharges Chicago and District, and their employees, agents, officers and officials (individually, an "Indemnified Party," and collectively, the "Indemnified Parties"), from and against any and all Losses (as defined below) which the Joliet Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the date of this Agreement, based upon, arising out of or in any way connected with, directly or indirectly: (i) any environmental contamination, pollution or hazards associated with the Easement Areas or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances, (ii) the structural, physical or environmental condition of the Easement Areas, including, without limitation, the presence or suspected presence of Hazardous Substances or Other Regulated Material in, on, under or about the Easement Areas or the migration of Hazardous Substances or Other Regulated Material from or to other property, (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under CERCLA; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Easement Areas or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims") The Joliet Parties waive their rights of contribution and subrogation against any Indemnified Parties. Losses means any and all debts, liens, claims, causes of action, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs and expenses (including, without limitation, reasonable attorney's fees and expenses, consultants' fees and expenses and court costs). Furthermore, Joliet shall indemnify, defend (through an attorney reasonably acceptable to Chicago) and hold the Indemnified Parties harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of Joliet's Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims. Joliet waives its rights of contribution and subrogation against the Indemnified Parties.

(c) The covenant of release set forth in Section 9(b) shall run with the Easement Areas and shall be binding upon all successors and assigns of Joliet with respect to the Easement Areas, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Easement Areas under or through Joliet following the date of this Agreement. Joliet acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to enter into this Agreement, and that, but for such release, Chicago would not have agreed to grant an easement to the Easement Areas to Joliet. It is expressly agreed and understood by and between Joliet and Chicago that, should any future obligation of Joliet or the Joliet Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Easement Areas, neither Joliet nor any other Joliet Parties shall assert that those obligations must be satisfied in whole or in part by Chicago, because this covenant contains a full, complete and final release of all such claims.
(a) Joliet shall maintain the Suction Well as required hereunder and pursuant to the terms of the Water Supply Agreement, at its sole cost and expense.

(b) Joliet shall maintain the Suction Well so that the Suction Well does not unduly interfere with any use of the Easement Area by Chicago, the District, the public, or any person or entity authorized to use or occupy the Easement Area.

(c) Joliet shall conduct regular documented inspections of the Suction Well and the Easement Area and maintain the Suction Well and restore the Easement Area in accordance with applicable Law and to the satisfaction of the Commissioner. All maintenance records for the Suction Well and Easement Area shall be made available to DWM upon DWM’s written request for such documentation.

(d) Joliet shall cooperate with Chicago concerning the coordination of uses of the Easement Area, including prompt responses to inquiries, attending meetings and site visits, and providing complete disclosure of information concerning the Easement Area and the Suction Well.

(e) Joliet shall pay for any and all expenses incurred with respect to the operation, maintenance, repair, replacement, and/or removal of the Suction Well, or any part thereof, within the Easement Area.

Chicago and the District Have No Maintenance and Operational Duties; “As Is”.

Joliet acknowledges that neither Chicago nor the District is responsible for the operation, maintenance, repair, replacement and/or removal or security of the Suction Well or the Easement Area, and Chicago and the District each has no obligations with respect thereto.

Chicago and the District make no covenant, representation or warranty, express or implied, of any kind, as to the structural, physical or environmental condition of the Easement Area or the suitability of the Easement Area for any purpose whatsoever. Joliet acknowledges that it has had adequate opportunity to inspect and evaluate the structural, physical and environmental conditions and risks of the Easement Area and accepts the risk that any inspection may not disclose all material matters affecting the Easement Area. Joliet agrees to accept the Easement Area in their “AS IS,” “WHERE IS” and “WITH ALL FAULTS” condition at closing, with all faults and defects, latent or otherwise, and the Chicago has not made and does not make any covenant, representation or warranty, express or implied, of any kind, or give any indemnification of any kind to Joliet, with respect to the structural, physical or environmental condition of the Easement Area, their compliance with any statute, ordinance or regulation, or its suitability, merchantability or fitness for any purpose whatsoever. Joliet acknowledges that it is relying solely upon its own inspection and other due diligence activities and not upon any information (including, without limitation, environmental studies or reports of any kind) provided by or on behalf of the Chicago or the District or any of their agents or employees with respect thereto. Joliet agrees that it is its sole responsibility and obligation to perform at its expense any such action as is necessary to put the Easement Area in a condition which is suitable for its intended use.

12 Insurance. Joliet shall at all times maintain, and shall cause its contractors to maintain, the insurance coverages and endorsements identified in Article 21 of the Water Supply Agreement, which is incorporated here by this reference.
13. **Default.** Joliet shall be in default hereunder in the event of a material breach by Joliet of any term or condition of this Agreement or the Water Supply Agreement, including, but not limited to, a representation or warranty, where Joliet has failed to cure such breach within sixty (60) days after written notice of breach is given to Joliet by Chicago setting forth the nature of such breach. Failure of Chicago to give written notice of breach to Joliet shall not be deemed to be a waiver of Chicago’s right to assert such breach at a later time. If the default is not capable of being cured within the sixty (60) day period, then provided Joliet has commenced to cure the default and is diligently proceeding to cure the default within the sixty (60) day period, and thereafter diligently prosecutes such cure through to completion, then the sixty (60) day period shall be extended for the length of time that is reasonably necessary to cure the default. If the default is not cured in the time period provided for herein, Chicago may institute such proceedings at law or in equity as may be necessary or desirable to cure and remedy the default, including but not limited to, termination of this Agreement and/or the Water Supply Agreement, and removal of the Suction Well and restoration of the Easement Area each at Joliet’s sole expense.

14. **No Liens.** Joliet shall not permit any lien to stand against the Easement Area or the Suction Well for any labor or material in connection with work of any character performed in the Easement Area at the direction or sufferance of Joliet.

15. **Compliance with Law.** Joliet agrees that the Easement Area and the Suction Well shall be used, and any alterations to the structures located within the Easement Area shall be constructed, installed, used, operated, inspected, maintained, repaired and replaced in complete compliance with all applicable Laws.

16. **Partial Invalidity.** If any clause, sentence or other portion of this Agreement shall become illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remaining portion hereof shall remain in full force and effect.

17. **Notices.** For purposes of this Agreement, any notice, demand or request required by this Agreement shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, such as facsimile or email; (c) nationally recognized overnight courier service; or (d) Certified Mail.

**If to Chicago:***

City of Chicago  
Department of Water Management  
1000 East Ohio Street  
Chicago, Illinois 60611  
Attn: Commissioner

**With copies to:**

City of Chicago Department of Law  
121 North LaSalle Street, Suite 600  
Chicago, Illinois 60602  
Attn: Real Estate and Land Use Division

and

City of Chicago Department of Law  
121 North LaSalle Street, Suite 600  
Chicago, Illinois 60602  
Attn: Finance and Economic Development Division
and

City of Chicago
Department of Finance
121 North LaSalle Street, Room 700
Chicago, Illinois 60602
Attention: Chief Financial Officer

If to Joliet:
City of Joliet
150 West Jefferson Street
Joliet, Illinois 60432
Attention: Director of Public Utilities

With a copy to:
City of Joliet
150 West Jefferson Street
Joliet, Illinois 60432
Attention: City Manager

Each Party to this Agreement has the right to change, add or remove the addressee or addressee contact information, for future notices and communications to them in matters pertaining to this Agreement by giving notice complying with the requirements of this section. No notice of a change of address will be effective until actually received.

Notices shall be deemed received upon the first to occur of (a) the date of actual receipt, (b) the date an email is sent, unless notice of non-delivery is received; (c) the date that is one (1) business day after deposit with a nationally recognized overnight courier service as evidenced by a receipt of deposit, or (d) the date that is three (3) days after deposit in the U.S. mail, as Certified Mail, evidenced by a receipt.

18. Illinois Law This Agreement has been negotiated, executed and delivered in Chicago, Illinois, and shall be construed and enforced in accordance with the laws of Illinois, including the law of public trust with respect to the use and occupation of the Easement Area.

19. No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit solely of Joliet and Chicago and their respective successors and assigns. This document and the terms hereof are intended solely for the benefit of the parties hereto and their successors and assigns, as expressly referred to herein. No other person shall have any rights, responsibilities or obligations hereunder nor may such person enforce any of the terms or be entitled to any of the benefits hereof. Notwithstanding the foregoing, the District is and during the term of the Lease shall be a third-party beneficiary of Section 4(h) of this Agreement.

20. Authority and Validity. Each Party represents and warrants to the other Party that (i) this Agreement has been duly authorized, executed and delivered by it and (ii) this Agreement constitutes the legal, valid and binding obligation of it, enforceable against it in accordance with its terms.


(a) The terms, benefits, and privileges set forth in this Agreement shall be deemed and taken to be covenants running with the Easement Area and shall be binding upon Joliet, its successors and assigns having any interest in the Easement Area.
(b) If any provision of this Agreement, or any paragraph, sentence, clause, phrase, or word or the application thereof is held invalid, illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remainder of this Agreement shall be construed as if such invalid part were never included and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law provided that this Agreement, in its entirety as so reconstituted, does not represent a material change to the rights or obligations of either of the Parties.

(c) In the event the time for performance hereunder falls on a Saturday, Sunday, or legal holiday, the actual time for performance shall be the next business day.

(d) This Agreement and the accompanying Plat shall be governed by, and construed in accordance with, the internal laws of the State of Illinois. In the event that an adjudication of any kind shall be required in connection with this Agreement, the Parties agree that the venue therefor shall be the state or federal courts located in Cook County, Illinois, whichever may be applicable.

(e) This Agreement, and any provisions of the Water Supply Agreement that govern the Suction Well, constitute the entire agreement between the Parties with respect to the subject matter of this Agreement, and may not be modified except by an instrument in writing signed by all the Parties and dated a date subsequent to the date of this Agreement. In the event of a conflict between the Water Supply Agreement and this Agreement, the Water Supply Agreement shall govern.

(f) Each Party agrees that it will execute and deliver such other reasonable documents and take such other reasonable actions as may be reasonably requested by the other party to effectuate the purposes and intention of this Agreement.

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

22. Waste Ordinance Provisions. In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago ("Municipal Code"). Joliet warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Agreement is executory, any violation of the Waste Sections by Joliet, its general contractor or any subcontractor, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole discretion of the Commissioner. Such breach and default entitles Chicago to all remedies under this Agreement, at law or in equity. This section does not limit the duty of Joliet, the general contractor and any subcontractors to comply with all applicable Laws, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by Chicago as grounds for the termination of this Agreement.
IN WITNESS WHEREOF, Joliet and Chicago have caused this Agreement to be executed by their duly authorized officers as of the day and year first written above.

CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of government

By: ____________________________________
   Andrea R. H. Cheng, Ph.D., P.E.
   Commissioner
   Department of Water Management

CITY OF JOLIET, an Illinois municipal corporation and home rule unit of government

By: ____________________________________
   Robert O'Dekirk
   Mayor

ATTEST:

By: ____________________________________
   Christa M. Desiderio
   City Clerk
STATE OF ILLINOIS )
COUNTY OF COOK )

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY
THAT Andrea R.H. Cheng, Ph.D., P.E., personally known to me to be the Commissioner of the
Department of Water Management of Chicago, Illinois ("Chicago"), and personally known to me to be
the same person whose name is subscribed to the foregoing instrument, appeared before me this day
in person and acknowledged that as such Commissioner she signed and delivered the said instrument
pursuant to authority given her on behalf of Chicago, for the uses and purposes therein set forth.

Given under my hand and notarial seal on _________________, 2023.

___________________________
Notary Public

STATE OF ILLINOIS )
COUNTY OF WILL )

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY
THAT Robert O'Dekirk and Christa M. Desiderio, personally known to me to be the Mayor and City
Clerk, respectively, of the City of Joliet, Illinois ("Joliet"), and personally known to me to be the same
persons whose names are subscribed to the foregoing instrument, appeared before me this day
in person and acknowledged that as such Mayor and City Clerk, he and she signed and delivered the
said instrument pursuant to authority given him and her on behalf of Joliet, for the uses and purposes
therein set forth.

Given under my hand and notarial seal on _________________, 2023.

___________________________
Notary Public
(Sub)Exhibits 1, 2, 3 and 4 referred to in this Easement Agreement with the City of Joliet read as follows:

(Sub)Exhibit 1.
(To Easement Agreement With City Of Joliet)

Easement Area (Legal Description).

[To Come]

(Sub)Exhibit 2.
(To Easement Agreement With City Of Joliet)

Plat Of Easement.

[To Come]

(Sub)Exhibit 3.
(To Easement Agreement With City Of Joliet)

Depiction Of Suction Wall (Site Plan).

[Omitted]
(Sub)Exhibit 4.
(To Easement Agreement With City Of Joliet)

Compensation To Be Paid By Joliet To Chicago.

<table>
<thead>
<tr>
<th>Site</th>
<th>Easement Name</th>
<th>Permitted Use</th>
<th>Type of Easement</th>
<th>Land Ownership</th>
<th>Chicago Contractor Use*</th>
<th>Joliet Contractor Use*</th>
<th>Duration of Joliet Contractor Use for Calculation of TE Compensation*</th>
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</thead>
<tbody>
<tr>
<td>PE-1</td>
<td>To come</td>
<td>Permanent</td>
<td>Chicago</td>
<td>None</td>
<td>10/1/2025 to 3/31/28</td>
<td>N/A</td>
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<tr>
<td>TE-1</td>
<td>To come</td>
<td>Temporary</td>
<td>Chicago Park</td>
<td>None</td>
<td>10/1/2025 to 3/31/28</td>
<td>2.5 years/30 months</td>
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<tr>
<td>TE-2</td>
<td>To come</td>
<td>Temporary</td>
<td>Chicago Park</td>
<td>None</td>
<td>10/1/2025 to 3/31/28</td>
<td>2.5 years/30 months</td>
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</tr>
<tr>
<td>TE-3</td>
<td>To come</td>
<td>Temporary</td>
<td>Chicago Park</td>
<td>None</td>
<td>5/1/2024 to 12/31/2029</td>
<td>5.7 years/68 months</td>
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<table>
<thead>
<tr>
<th>Site</th>
<th>Easement Name</th>
<th>Area* <a href="SF">square feet</a></th>
<th>Permitted Use</th>
<th>Duration of Joliet Contractor Use</th>
<th>Unit Price Compensation (DIV = Diminution in Value)</th>
<th>Total Compensation</th>
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<tbody>
<tr>
<td>PE-1</td>
<td>To come</td>
<td>87,500</td>
<td>N/A</td>
<td>N/A</td>
<td>$5.86/per SF plus 50 50/SF Premia, 2.5% DIV for Remainder, 393,521 SF whole site</td>
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<td>TE-2</td>
<td>To come</td>
<td>19,819</td>
<td>Temporary</td>
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<td>$5.86/SF, 10%/year, no DIV for Remainder</td>
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<tr>
<td>TE-3</td>
<td>To come</td>
<td>4,759</td>
<td>Temporary</td>
<td>5.7 years/68 months</td>
<td>$5.86/SF, 10%/year, no DIV for Remainder</td>
<td>$15,857</td>
</tr>
</tbody>
</table>

*Subject to change based on final design
Exhibit "C":
(To Ordinance)

Form Of SWPS Easement Agreement.

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

City of Chicago Dept. of Law
Real Estate & Land Use Div.
121 N. LaSalle Street, Suite 600
Chicago, Illinois 60602

(The Above Space for Recorder’s Use Only)

EASEMENT AGREEMENT FOR
TWO (2) PERMANENT EASEMENTS
AND
SEVEN (7) TEMPORARY EASEMENTS

AT THE CITY OF CHICAGO SOUTHWEST PUMPING STATION PROPERTY

This Easement Agreement ("Agreement") is entered into as of this ___ day of __________, 2023 ("Effective Date"), by and between the City of Chicago, an Illinois municipal corporation and home rule unit of government ("Chicago"), by and through its Department of Water Management ("DWM"), and the City of Joliet, an Illinois municipal corporation and home rule unit of government ("Joliet"). Chicago and Joliet are sometimes referred to herein jointly as the "Parties" or individually as a "Party." This Agreement has been authorized by an ordinance adopted by the City Council of the City of Chicago ("Chicago City Council") on __________, 2023 and by an ordinance adopted by the City Council of the City of Joliet ("Joliet City Council") on __________, 2023.

RECITALS

WHEREAS, Chicago, through DWM, is the owner of the property commonly known as 8422 South Kedvale Avenue a/k/a 8405 S. Keeler Avenue, Chicago, Illinois 60652 (PIN 19-34-412-011-0000) (the "SWPS Property"), which is the site of DWM’s Southwest Pumping Station (the "Station"), and
WHEREAS, Chicago and Joliet have entered into that certain Water Supply Agreement, dated on or as of _______, 2023 (the "Water Supply Agreement"). Capitalized terms not defined in this Agreement shall have the meanings set forth in the Water Supply Agreement; and

WHEREAS, pursuant to the Water Supply Agreement, the City has agreed to grant to Joliet two (2) non-exclusive permanent easements (the "Southwest Pumping Station Site Easements") and seven (7) temporary non-exclusive easements (each a "Temporary Easement," identified as TE-1, TE-2, TE-3, TE-4, TE-5, TE-6 and TE-7, respectively, and, collectively, the "Temporary Easements") on the SWPS Property, as further described in this Agreement. The Southwest Pumping Station Site Easements and the Temporary Easements, each and Easement and, collectively, the "Easements"; and

WHEREAS, the locations, legal descriptions and plats of easement for the Southwest Pumping Station Site Easements and the Temporary Easements are in Exhibit 1 attached hereto and incorporated here (each such location, as "Easement Area," and collectively, the "Easement Areas"); and

WHEREAS, Joliet's use of the Easements is limited to those uses (the "Permitted Uses") and timeframes set forth in Exhibit 2 attached hereto and incorporated here;

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Incorporation of Recitals. The recitals set forth above constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the Parties.

2. Grant of Easements. Subject to the terms and conditions of this Agreement, Chicago hereby grants to Joliet a non-exclusive easement ("Easement") on and under each Easement Area for the Permitted Use applicable to each such Easement Area. Joliet shall undertake the Permitted Uses at its sole cost and expense.

3. Terms. The following terms and conditions apply to each Easement:

(a) Each Easement is an easement appurtenant in favor of Joliet.

(b) Each Easement granted under this Agreement commences on the date hereof, is designated as a permanent or temporary easement in Exhibit 2, and terminates on the earliest of: (i) the applicable date set forth in Exhibit 2, (ii) the date on which the Water Supply Agreement terminates, (iii) the date on which Joliet abandons or forfeits any Easement, (iv) an event of default by Joliet that is not cured within the time frame set forth in Section 13 of this Agreement, or (v) the date on which Joliet fails to use any Easement Area for water supply purposes; provided, however, that all Easements shall immediately terminate, and all Easement Areas shall revert back to Chicago in each Easement Area's condition immediately preceding the commencement of each respective Easement, except for any Joliet New Water Supply Infrastructure or Chicago New Water Supply Infrastructure that is to remain in the Easement Area(s) in accordance with and pursuant to Section 7.2 of the Water Supply Agreement, and subject to the indemnification provisions set forth in Section 25 of the Water Supply Agreement. Chicago retains the right to determine the disposition of the Joliet New Water Supply
Infrastructure as set forth in Section 7.2 of the Water Supply Agreement. Notwithstanding the foregoing, the termination date of the Easement shall be extended by mutual agreement of the parties for the purpose of decommissioning the Joliet New Water Supply Infrastructure, restoring the Easement Areas, or both. To the extent that an Easement Area is subject to another easement, Joliet will coordinate with Chicago and the other easement holder to address the needs of the other easement holder. Furthermore, Joliet shall not take any action or fail to take any action that would cause Chicago to be in breach of its obligations under any such other previously existing easement.

(c) Any adjustments to the dates set forth for the temporary Easements in Exhibit 2 due to changes in the construction schedule for the Chicago New Water Supply Infrastructure and the Joliet New Water Supply Infrastructure may be mutually agreed by the Parties. To the extent that such changes increase the actual duration of Joliet’s use of any of the temporary easements (TE-1 through TE-7), the Parties will adjust amount of compensation paid by Joliet for the affected temporary easement.

(d) Joliet represents and warrants to Chicago that its contractors are and shall be licensed, insured and bonded, as required by applicable law, ordinance or code, to perform the Permitted Uses.

(e) Compensation. Within thirty (30) days of the effective date of this Agreement, Joliet will pay to Chicago the applicable dollar amount set forth in Exhibit 2, which amount represents the Parties’ determination of the value of the respective Easements. Any adjustment to compensation required by this Section 3 shall be calculated in accordance with the unit price compensation formulas set forth in Exhibit 2.

4. Joliet’s Obligations.

a) Joliet must perform, or cause to be performed, all construction and all alterations to any Easement Area for the construction and alterations for which it is responsible under, and in accordance with, the Water Supply Agreement.

b) During the initial construction of the Joliet New Water Supply Infrastructure or the Chicago New Water Supply Infrastructure (other than the Tunnel Connection), Joliet shall be responsible for all activities relating to such initial construction as required of Joliet as provided in the Water Supply Agreement. After completion of the Joliet New Water Supply Infrastructure or the Chicago New Water Supply Infrastructure (other than the Tunnel Connection), Joliet shall be responsible for obtaining approvals of, and paying at its sole cost and expense for, any and all installations, removals, relocations, alterations, additional maintenance and restorations of or to any utility or public service structures or the Joliet New Water Supply Infrastructure, located in, adjacent to, or in close proximity to, the Easement Areas which are owned by Chicago, the Village of Oak Lawn, or any third-party utility or entity, including, but not limited to, pavements, bridges, poles and other infrastructure and utilities, which are or may be necessary or appropriate to facilitate work by Joliet or its contractors or its agents related to the Joliet New Water Supply Infrastructure. Joliet shall be responsible for obtaining the consent of and making suitable arrangements with all applicable entities owning or having an interest in such structures and the Joliet New Water Supply Infrastructure, including any department of Chicago.
c) Joliet, at its sole cost and expense, shall secure all necessary permits and approvals for each Permitted Use, and provide all legally required public notices, if any, for the Permitted Uses, in accordance with the Water Supply Agreement.

d) Disposal Obligations. Joliet shall be responsible for the proper removal, transportation and disposal of all hazardous substances as defined in 415 ILCS 5/3.215, waste as defined in 415 ILCS 5/1 et seq (including but not limited to 415 ILCS 5/3.35), contaminants as defined in 415 ILCS 5/3.165, as amended from time to time, and any "Other Regulated Material" as defined in Sections 4(d)(i) to (iii), that is encountered as part of or resulting from its use of the Easement Areas.

Unless sufficient testing is performed to determine compliance with Illinois EPA's Clean Construction and Demolition Debris ("CCDD") regulations, all soil being removed during construction must be disposed of in accordance with applicable regulations to a Subtitle D landfill. If soil or CCDD must be removed from the Easement Areas, it must be disposed of at a properly permitted landfill with prior approval from the Chicago Department of Assets, Information and Services, or any successor department thereto ("AIS"). No soil or materials generated from the Easement Areas can be disposed of as "uncontaminated soil" using an IEPA LPC-662 Source Site Certification, unless approved by AIS. All soil disposed as CCDD or uncontaminated soil must be sampled and an LPC-663 Uncontaminated Soil Certification must be used.

Joliet must obtain written approval from AIS of all reuse, recycling and disposal locations before any Hazardous Substances, Waste, Contaminants or Other Regulated Material, each as defined in the first paragraph of this Section 4(d) may be sent to such locations. If soil is sent to a location that is not approved by AIS, Joliet must retrieve the materials and take it to an approved location at Joliet's sole cost and expense.

Definitions. The following terms have the following meanings for purposes of this Agreement:

1. "Environmental Law(s)" means any Federal, state, or local law, statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C § 9601 et seq ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., the Gasoline Storage Act, 430 ILCS 15/0.01 et seq; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago ("MWRD"); the Municipal Code of the City of Chicago, and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.
"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165, as amended from time to time, that are subject to regulation under any Environmental Law.

"Hazardous Substance" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"Law" means any applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, executive orders or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments.

"Other Regulated Material" is defined as any Waste, Contaminant, material meeting 35 Ill. Adm Code 742.305, or any other material, not otherwise specifically listed or designated as a hazardous substance, as defined in 415 ILCS 5/3 215, that (a) is or contains petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons, such as chlorine.

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

e) Generator Designation. In such cases, in the event a signature as "Generator" is required on waste manifests, waste profile sheets or generator's certifications of non-special waste, Joliet shall ensure that either Joliet or its contractor, subcontractor, or other party working on behalf of Joliet signs such documents.

f) Imported Material. Any backfill material brought on to the Easement Areas must be either a) certified virgin stone or b) tested for Target Compound List parameters (35 Ill Adm. Code 740, Appendix A) and meet the most stringent objects for residential land use included in 35 Ill. Adm. Code 742, Appendix B, Table A. Based on the scope of work, AIS may waive this requirement.

Quarry generated virgin source materials do not need to be tested, but certification from the source (quarry) must be provided to AIS prior to importing the material to the Easement Area.

Tested material shall be verified by providing results from a laboratory accredited by the IEPA's Environmental Laboratory Accreditation Program. The date of the analysis shall be within 90 days of importing such material to the Easement Areas unless otherwise approved by Chicago. Prior to importing, non-virgin source materials shall be sampled at a frequency of one (1) sample per 500 cubic yards per source unless otherwise approved by Chicago.
iii. Joliet must keep copies of all daily reports, transport manifests, and weight tickets or receipts (as applicable) documenting all materials imported to the Easement Area and detailing where they were specifically placed.

iv. No biosolids or biosolids-based products from the Metropolitan Water Reclamation District or any other source may be imported for any purpose.

(g) Environmental Requirements.

i. Any underground storage tanks ("USTs") identified must be removed and closed in accordance with applicable regulations including 41 Ill. Adm. Code 175 and any identified leaking USTs must be properly addressed in accordance with 35 Ill. Adm. Code 734.

ii. All sampling should be conducted in accordance with all applicable subsections of Title 35: Environmental Protection, Subtitle G Waste Disposal and Chapter I: Pollution Control Board of the Illinois Administrative Code.

iii. Unless otherwise approved by Chicago, all soil boring and/or monitoring wells installed must be properly abandoned within the Term of the Agreement and pursuant to the requirements provided in Section 920.120 of the Illinois Water Well Construction Code (77 Ill. Adm. Code 920).

iv. If any bore holes exceed 30 feet in depth, gas levels must be measured at the surface of the borehole. If gas levels exceed the warning level (10-20% of Lower Explosive Limit (LEL)), all drilling and construction activities in the immediate vicinity of the borehole must be stopped. Once the gas meter levels indicate that the methane in the borehole has dissipated or is below the warning level (10-20% of LEL), the construction activities may continue.

v. Joliet shall not use or store any Hazardous Substances on the Easement Areas or City property, other than as may be necessary for the vehicles and equipment to accomplish the Permitted Uses using standard industry practices and for disinfection of the Chicago New Water Supply Infrastructure (other than the Tunnel Connection) and the Joliet New Water Supply Infrastructure, unless otherwise approved by Chicago. If use of Hazardous Substances is necessary, Joliet shall provide the City (AIS) with an annual inventory of the Substances stored on site including the material, container size, maximum quantity stored, and storage location. The Safety Data Sheets for the Hazardous Substances will also be provided. Joliet shall at all times exercise due caution in their application to ensure appropriate use and prevent any accidental spillage or contamination, and to Joliet shall promptly notify Chicago if any Hazardous Substances are found or spilled on the Easement Areas.

vi. A Soil Management Plan ("SMP") must be prepared and implemented during construction to document, at a minimum: the site-specific soil excavation, disposal, storage, and reuse procedures, imported material testing requirements, and environmental oversight plan. The SMP is subject to AIS review and approval prior to being implemented. Based on the scope of work, AIS may waive this requirement.

vii. If Joliet or its Agents causes a spill or release of a hazardous substance during the construction of the Joliet New Water Supply Infrastructure, Joliet or its Agents must stop work immediately and contact AIS's Environmental Health and Safety Bureau's Deputy Commissioner at 312-744-9139 and kimberly.worthington@cityofchicago.org, or other person...
as Chicago may identify by notifying Joliet. Joliet shall be responsible for cleaning up the spill including waste disposal as well as all notifications and reporting to any applicable agencies.

viii. Joliet and its Agents shall comply at all times with any and all applicable municipal, county, state, federal or other statutes, or Laws. Contract provisions that are required to be included in this Agreement by any such Laws shall be deemed included.

ix. In the event that the construction of the Joliet New Water Supply Infrastructure is not completed, Joliet must restore the Easement Area in accordance with Article 7 (Disposition of Joliet New Water Supply Infrastructure) of the Water Supply Agreement. In addition, Joliet shall be responsible for any contamination that was caused, permitted or exacerbated during the construction of the Joliet New Water Supply Infrastructure or any damage to the Easement Area or any surrounding property, structures, utility lines or subsurface lines or cables caused by the acts or omissions of Joliet, including but not limited to, vandalism or misuse of the Easement Area, and shall undertake any repairs necessitated by such acts or omissions.

5. **Uses within the Easement Area**
   
   (a) Joliet may not use or permit the use of an Easement Area for any purpose other than the Permitted Use for such Easement Area.

   (b) Chicago reserves the right to access all Easement Areas.

   (c) Joliet, its agents, and its employees shall not perform or permit any practice that (i) is injurious to any Easement Area, (ii) unreasonably disturbs area residents, (iii) is illegal, or (iv) causes or may cause increases to the rate of insurance on any Easement Area. Joliet and its agents and employees shall not sell, give away or consume any alcoholic beverages or illegal drugs of any kind or nature shall be sold, given away, or consumed on the Easement Area.

6. **Alterations.** Any changes to the Joliet New Water Supply Infrastructure shall be governed by the requirements of Article 15 of the Water Supply Agreement.

7. **Assignment.** In the event of the assignment of the Water Supply Agreement pursuant to Article 22 of the Water Supply Agreement, this Agreement shall be assigned as provided in such Article 22.

8. **Restoration.** Joliet shall restore the Easement Area to the extent altered, disturbed or damaged by the construction, use, operation, inspection, maintenance, repair, replacement, removal, relocation, or alteration of the Joliet New Water Supply Infrastructure, and all work related thereto, to a proper condition under the supervision and to the satisfaction of the Commissioner and in accordance with the Municipal Code of Chicago.

9. **Indemnity**
   
   (a) Joliet and Chicago are subject to the indemnification obligations set forth in Article 25 of the Water Supply Agreement, which are incorporated here by this reference. Joliet is further subject to the following.
(b) Joliet, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under any of them, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity leasing, occupying, using or possessing any portion of the Easement Areas under or through Joliet following the date of this Agreement (collectively, the "Joliet Parties"), hereby releases, relinquishes and forever discharges Chicago and its employees, agents, officers and officials (individually, a "Chicago Party," and collectively, the "Chicago Parties"), from and against any and all Losses (as defined below) which the Joliet Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the date of this Agreement, based upon, arising out of or in any way connected with, directly or indirectly: (i) any environmental contamination, pollution or hazards associated with the Easement Areas or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (ii) the structural, physical or environmental condition of the Easement Areas, including, without limitation, the presence or suspected presence of Hazardous Substances or Other Regulated Material in, on, under or about the Easement Areas or the migration of Hazardous Substances or Other Regulated Material from or to other property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under CERCLA; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Easement Areas or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). The Joliet Parties waive their rights of contribution and subrogation against any Chicago Parties. "Losses" means any and all debts, liens, claims, causes of action, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs and expenses (including, without limitation, reasonable attorney’s fees and expenses, consultants’ fees and expenses and court costs). Furthermore, Joliet shall indemnify, defend (through an attorney reasonably acceptable to Chicago) and hold the Chicago Parties harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of Joliet’s Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims. Joliet waives its rights of contribution and subrogation against the Chicago Parties.

(c) The covenant of release set forth in Section 9(b) shall run with the Easement Areas and shall be binding upon all successors and assigns of Joliet with respect to the Easement Areas, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Easement Areas under or through Joliet following the date of this Agreement. Joliet acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to enter into this Agreement, and that, but for such release, Chicago would not have agreed to grant an easement to the Easement Areas to Joliet. It is expressly agreed and understood by and between Joliet and Chicago that, should any future obligation of Joliet or the Joliet Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Easement Areas, neither Joliet nor any other Joliet Parties shall assert that those obligations must be satisfied in whole or in part by Chicago, because this covenant contains a full, complete and final release of all such claims.
10. **Operation, Maintenance and Security of the Easement Area and Joliet New Water Supply Infrastructure.**

(a) Joliet shall install, use, inspect, operate, maintain, remove, relocate, repair, replace, or make alterations to the Joliet New Water Supply Infrastructure, and the Chicago New Water Supply Infrastructure with the exception of the Tunnel Connection, in accordance with the terms of the Water Supply Agreement.

(b) Joliet shall cooperate with Chicago concerning the coordination of uses of the Easement Areas, including prompt responses to inquiries, attending meetings and site visits, and providing complete disclosure of information concerning the Easement Areas and the Joliet New Water Supply Infrastructure.

(c) Joliet shall not interfere, and shall not permit its contractors to interfere, with the City's or the Village of Oak Lawn's access to the SWPS Property. Joliet shall not interfere, and shall not permit its contractors to interfere, with the City's security, parking, equipment storage or grounds maintenance at the SWPS Property.

11. **Maintenance and Operational Duties: “As Is”** Joliet acknowledges that Chicago is not responsible for the operation, maintenance, repair, replacement and/or removal or security of the Joliet New Water Supply Infrastructure, or for the Easement Areas, and Chicago has no obligations with respect thereto. Pursuant to Article 15 of the Water Supply Agreement, the Parties will enter into an agreement of the shared use of the Easement Areas to further clarify the responsibilities of Joliet and Chicago in the Easement Areas.

Chicago makes no covenant, representation or warranty, express or implied, of any kind, as to the structural, physical or environmental condition of the Easement Areas or the suitability of the Easement Areas for any purpose whatsoever. Joliet acknowledges that it has had adequate opportunity to inspect and evaluate the structural, physical and environmental conditions and risks of the Easement Areas and accepts the risk that any inspection may not disclose all material matters affecting the Easement Areas. Joliet agrees to accept the Easement Areas in their "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition at closing, with all faults and defects, latent or otherwise, and the Chicago has not made and does not make any covenant, representation or warranty, express or implied, of any kind, or give any indemnification of any kind to Joliet, with respect to the structural, physical or environmental condition of the Easement Areas, their compliance with any statute, ordinance or regulation, or its suitability, merchantability or fitness for any purpose whatsoever. Joliet acknowledges that it is relying solely upon its own inspection and other due diligence activities and not upon any information (including, without limitation, environmental studies or reports of any kind) provided by or on behalf of the Chicago or its agents or employees with respect thereto. Joliet agrees that it is its sole responsibility and obligation to perform at its expense any such action as is necessary to put the Easement Areas in a condition which is suitable for its intended use.

12. **Insurance** Joliet and Chicago each shall at all times maintain, and shall cause its contractors to maintain, the insurance coverages and endorsements identified in Article 21 of the Water Supply Agreement, which is incorporated here by this reference.

13. **Default.** If a Party is in default under this Agreement, Article 20 of the Water Supply Agreement shall govern and control.
14 **No Liens.** Joliet shall not permit any lien to stand against any Easement Area or the Joliet New Water Supply Infrastructure for any labor or material in connection with work of any character performed in any Easement Areas at the direction or sufferance of Joliet.

15 **Compliance with Law.** Joliet agrees that the Easement Areas and the Joliet New Water Supply Infrastructure shall be used, and any alterations to the structures located within any Easement Area shall be constructed, installed, used, operated, inspected, maintained, repaired and replaced in compliance with all applicable Laws.

16. **Partial Invalidity.** If any clause, sentence or other portion of this Agreement shall become illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remaining portion hereof shall remain in full force and effect.

17. **Notices.** For purposes of this Agreement, any notice, demand or request required by this Agreement shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, such as facsimile or email; (c) nationally recognized overnight courier service; or (d) Certified Mail; provided, however, that any notice of default or termination provided by electronic communications shall also be delivered by another method of notice authorized under this Section 17:

If to Chicago:
   City of Chicago  
   Department of Water Management  
   1000 East Ohio Street  
   Chicago, Illinois 60611  
   Attn: Commissioner

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

   and

   City of Chicago Department of Law  
   121 North LaSalle Street, Suite 600  
   Chicago, Illinois 60602  
   Attn: Finance and Economic Development Division

   and

   City of Chicago  
   Department of Finance  
   121 North LaSalle Street, Room 700  
   Chicago, Illinois 60602  
   Attention Chief Financial Officer
If to Joliet.
City of Joliet
150 West Jefferson Street
Joliet, Illinois 60432
Attention: Director of Public Utilities.

With a copy to:
City of Joliet
150 West Jefferson Street
Joliet, Illinois 60432
Attention: City Manager

Each Party to this Agreement has the right to change, add or remove the addressee or addressee contact information, for future notices and communications to them in matters pertaining to this Agreement by giving notice complying with the requirements of this section. No notice of a change of address will be effective until actually received.

Notices shall be deemed received upon the first to occur of (a) the date of actual receipt, (b) the date an email is sent, unless notice of non-delivery is received; (c) the date that is one (1) business day after deposit with a nationally recognized overnight courier service as evidenced by a receipt of deposit, or (d) the date that is three (3) days after deposit in the U.S. mail, as Certified Mail, evidenced by a receipt.

18. No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit solely of Joliet and Chicago and their respective successors and assigns. This document and the terms hereof are intended solely for the benefit of the Parties and their successors and assigns, as expressly referred to herein. No other person shall have any rights, responsibilities or obligations hereunder nor may such person enforce any of the terms or be entitled to any of the benefits hereof.

19. Authority and Validity. Each Party represents and warrants to the other Party that (i) this Agreement has been duly authorized, executed and delivered by it and (ii) this Agreement constitutes the legal, valid and binding obligation of it, enforceable against it in accordance with its terms.

20. Miscellaneous.

(a) The terms, benefits; and privileges set forth in this Agreement shall be deemed and taken to be covenants running with the Easement Area and shall be binding upon Joliet, its successors and assigns having any interest in the Easement Area.

(b) If any provision of this Agreement, or any paragraph, sentence, clause, phrase, or word or the application thereof is held invalid, illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remainder of this Agreement shall be construed as if such invalid part were never included and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law provided that this Agreement, in its entirety as so reconstituted, does not represent a material change to the rights or obligations of either of the Parties.

(c) In the event the time for performance hereunder falls on a Saturday, Sunday, or legal holiday, the actual time for performance shall be the next business day.

(d) This Agreement and the accompanying plats of easement shall be governed by, and construed in accordance with, the internal laws of the State of Illinois, including the law of public trust with respect to the use and occupation of the Easement Areas. In the event that an
adjudication of any kind shall be required in connection with this Agreement, the Parties agree that the venue therefor shall be the state or federal courts located in Cook County, Illinois, whichever may be applicable.

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

(f) Each Party agrees that it will execute and deliver such other reasonable documents and take such other reasonable actions as may be reasonably requested by the other party to effectuate the purposes and intention of this Agreement.

(g) This Agreement, and all provisions of the Water Supply Agreement referenced herein, constitute the entire agreement between the Parties with respect to the subject matter of this Agreement. This Agreement may not be modified or amended in any manner other than by supplemental written agreement executed by the Parties. An amendment to the Easement Area or the term (i.e., start and end date) of any Easement shall be set forth in an amendment in recordable form and shall include the amended legal description and plat of easement for such amended Easement Area(s); provided that in the event of an amendment to modify an Easement Area beyond the boundaries of the SWPS Easement Areas to include additional land area, Joliet shall pay an additional amount of compensation for the additional land area, determined pursuant to the formula in Section 3 of this Agreement. Joliet shall record, at its expense, this Easement Agreement and any amendments thereto of, in the alternative, the Parties may agree prepare a memorandum of easement agreement in a mutually agreeable form which will be recorded by Joliet.

21. Waste Ordinance Provisions. In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago ("Municipal Code"), Joliet warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Agreement is executory, any violation of the Waste Sections by Joliet, its general contractor or any subcontractor, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole discretion of the Commissioner and the Commissioner of the City's Department of Public Health. Such breach and default entitles Chicago to all remedies under this Agreement, at law or in equity. This section does not limit the duty of Joliet, the general contractor and any subcontractors to comply with all applicable laws, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by Chicago as grounds for the termination of this Agreement.
IN WITNESS WHEREOF, Joliet and Chicago have caused this Agreement to be executed by their duly authorized officers as of the day and year first written above.

CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of government

By: ___________________________
   Andrea R.H. Cheng, Ph.D., P.E.
   Commissioner
   Department of Water Management

CITY OF JOLIET, an Illinois municipal corporation and home rule unit of government

By: ___________________________
   Robert O'Dekirk
   Mayor

Date: ___________________________

ATTEST:

By: ___________________________
   Christa M. Desiderio
   City Clerk
STATE OF ILLINOIS )
   ) SS.
COUNTY OF COOK )

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Andrea R.H. Cheng, Ph.D., P.E., personally known to me to be the Commissioner of the Department of Water Management of Chicago, Illinois ("Chicago"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Commissioner she signed and delivered the said instrument pursuant to authority given her on behalf of Chicago, for the uses and purposes therein set forth.

Given under my hand and notarial seal on ________________, 2023.

__________________________________________
Notary Public

STATE OF ILLINOIS )
   ) SS.
COUNTY OF WILL )

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Robert O'Dekirk and Chnstia M. Desiderio, personally known to me to be the Mayor and City Clerk, respectively, of the City of Joliet, Illinois ("Joliet"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Mayor and City Clerk, he and she signed and delivered the said instrument pursuant to authority given him and her on behalf of Joliet, for the uses and purposes therein set forth.

Given under my hand and notarial seal on ________________, 2023.

__________________________________________
Notary Public
(Sub)Exhibits 1 and 2 referred to in this Form of SWPS Easement Agreement read as follows:

(Sub)Exhibit 1.
(To Form Of SWPS Easement Agreement)

Depiction Of Southwest Pumping Station Site Easements And Temporary Easement Areas, Legal Descriptions And Plat Of Easement.

[Omitted]
(Sub)Exhibit 2.
(To Form Of SWPS Easement Agreement)

Permitted Uses And Timeframes For Each Southwest Pumping Station Site Easement And Each Temporary Easement.

<table>
<thead>
<tr>
<th>Easement Name</th>
<th>Area* (square feet)(SF)</th>
<th>Type of Easement</th>
<th>Land Ownership</th>
<th>Chicago Contractor Use*</th>
<th>Joliet Contractor Use*</th>
<th>Duration of Joliet Contractor Use for Calculation of TE Compensation*</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE-1</td>
<td>41,361</td>
<td>Permanent</td>
<td>Chicago</td>
<td>None</td>
<td>5/1/2024 to 12/31/2029</td>
<td>N/A</td>
</tr>
<tr>
<td>PE-2</td>
<td>8,193</td>
<td>Permanent</td>
<td>Chicago</td>
<td>10/1/2025 to 6/30/2026</td>
<td>5/1/2024 to 9/30/2025 &amp; 7/1/26 to 12/31/2029</td>
<td>N/A</td>
</tr>
<tr>
<td>TE-1</td>
<td>7,927</td>
<td>Temporary</td>
<td>Chicago</td>
<td>None</td>
<td>5/1/2024 to 12/31/2029</td>
<td>5.7 years/68 months</td>
</tr>
<tr>
<td>TE-2</td>
<td>1,793</td>
<td>Temporary</td>
<td>Chicago</td>
<td>None</td>
<td>5/1/2024 to 12/31/2029</td>
<td>5.7 years/68 months</td>
</tr>
<tr>
<td>TE-3</td>
<td>6,611</td>
<td>Temporary</td>
<td>Chicago</td>
<td>10/1/2025 to 6/30/2026</td>
<td>7/1/2026 to 12/31/2029</td>
<td>3.5 years/42 months</td>
</tr>
<tr>
<td>TE-4</td>
<td>4,589</td>
<td>Temporary</td>
<td>Chicago</td>
<td>None</td>
<td>5/1/2024 to 12/31/2029</td>
<td>5.7 years/68 months</td>
</tr>
<tr>
<td>TE-5</td>
<td>.17,404</td>
<td>Temporary</td>
<td>Chicago</td>
<td>10/1/2025 to 3/31/2027</td>
<td>5/1/2024 to 9/30/2025 &amp; 4/1/2027 to 12/31/2029</td>
<td>4.17 years/50 months (total)</td>
</tr>
<tr>
<td>TE-6</td>
<td>11,355</td>
<td>Temporary</td>
<td>Chicago</td>
<td>10/1/2025 to 9/30/2026</td>
<td>10/1/2026 to 12/31/2029</td>
<td>3.33 years/39 months</td>
</tr>
<tr>
<td>TE-7</td>
<td>8,054</td>
<td>Temporary</td>
<td>Chicago</td>
<td>10/1/2025 to 9/30/2026</td>
<td>10/1/2026 to 12/31/2029</td>
<td>3.33 years/39 months</td>
</tr>
<tr>
<td>Easement Name</td>
<td>Permitted use</td>
<td>Area (square feet) [SF]</td>
<td>Unit Price Compensation (DIV = Diminution in Value)</td>
<td>Total Compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>---------------</td>
<td>-------------------------</td>
<td>-----------------------------------------------------</td>
<td>--------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PE-1</td>
<td>To come</td>
<td>41,361</td>
<td>$5.86/SF plus $0.50/SF Premia, 10% DIV for Remainder, 179,578 SF whole site</td>
<td>$397,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PE-2</td>
<td>To come</td>
<td>8,193</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TE-1</td>
<td>To come</td>
<td>7,927</td>
<td>$5.86/SF plus $0.50/SF Premia, 10%/year, no DIV for Remainder</td>
<td>$28,333</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TE-2</td>
<td>To come</td>
<td>1,793</td>
<td>$5.86/SF plus $0.50/SF Premia, 10%/year, no DIV for Remainder</td>
<td>$6,233</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TE-3</td>
<td>To come</td>
<td>6,611</td>
<td>$5.86/SF plus $0.50/SF Premia, 10%/year, no DIV for Remainder</td>
<td>$14,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TE-4</td>
<td>To come</td>
<td>4,589</td>
<td>$5.86/SF plus $0.50/SF Premia, 10%/year, no DIV for Remainder</td>
<td>$16,433</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TE-5</td>
<td>To come</td>
<td>17,404</td>
<td>$5.86/SF plus $0.50/SF Premia, 10%/year, no DIV for Remainder</td>
<td>$46,250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TE-6</td>
<td>To come</td>
<td>11,355</td>
<td>$5.86/SF plus $0.50/SF Premia, 10%/year, no DIV for Remainder</td>
<td>$23,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TE-7</td>
<td>To come</td>
<td>8,054</td>
<td>$5.86/SF plus $0.50/SF Premia, 10%/year, no DIV for Remainder</td>
<td>$16,575</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: $549,425

*Subject to change based on final design*
INTERGOVERNMENTAL AGREEMENT WITH CHICAGO PARK DISTRICT FOR PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS FOR IMPROVEMENTS AT, WINNEMAC PARK, 5100 N. LEAVITT ST. [O2023-1381]

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance concerning the authority to enter into and execute an intergovernmental agreement with the Chicago Park District for the provision of Tax Increment Financing (TIF) funds for renovations of Winnemac Park at 5100 North Leavitt Street, located in the 40th Ward (O2023-1381) in the amount of $2,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK, Chairman.

On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.
The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The Chicago Park District (the "Park District"), is an Illinois municipal corporation and a unit of local government under Article VII, Section 1 of the 1970 Constitution of the State of Illinois and, as such, is authorized to exercise control over and supervise the operation of all parks within the corporate limits of the City; and

WHEREAS, 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 blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, Under 65 ILCS 5/11-74.4-3(q)(7), incremental ad valorem taxes, which pursuant to the Act, have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of a redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs; and

WHEREAS, The Park District is a taxing district under the Act; and

WHEREAS, The Park District is engaged in an ongoing program of construction and renovation projects at its parks and other Park District facilities ("Park Projects"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council of the City (the "City Council") on February 24, 2021, and published in the Journal of Proceedings of the City Council of the City of Chicago for such date at pages 27586 through 27604, the City Council approved a form of an intergovernmental agreement attached thereto for a project at Donovan Park (the "Form Agreement"); and

WHEREAS, The Park District owns a park identified in Exhibit A (the "Park") located on the property identified in Exhibit A (the "Property"); and

WHEREAS, The Park District desires to undertake certain improvements to the Park as identified in Exhibit A (the "Project"); and

WHEREAS, The Property lies wholly within the boundaries of the Redevelopment Area (as hereinafter defined); and

WHEREAS, In accordance with the provisions of the Act, the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City identified
on Exhibit A (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Redevelopment Area, pursuant to ordinances (collectively, the "TIF Ordinances") adopted on the date (or dates, if subsequently amended) and published in the Journal for such date(s), identified on Exhibit A; and

WHEREAS, Increment collected from the Redevelopment Area shall be known as the "Redevelopment Area Increment"; and

WHEREAS, The Department of Planning and Development of the City desires to use a portion of the Redevelopment Area Increment in an amount not to exceed the amount identified in Exhibit A for the purpose of wholly or partially funding certain costs of the Project (the "TIF-Funded Improvements") to the extent and in the manner provided in this ordinance and the Agreement (as hereinafter defined); and

WHEREAS, A detailed budget for the Project (the "Project Budget") and an itemized list of the TIF-Funded Improvements are each incorporated into Exhibit A; and

WHEREAS, The Plan contemplates that tax increment financing assistance would be provided for public improvements, such as the Project, within the boundaries of the Redevelopment Area; and

WHEREAS, In accordance with the Act, the TIF-Funded Improvements shall include such of the Park District's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Plan, and the City has found that the TIF-Funded Improvements consist of the cost of the Park District's capital improvements that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act; and

WHEREAS, The City and the Park District wish to enter into an intergovernmental agreement in substantially similar form to the Form Agreement, substituting the Project-specific terms with the information contained in Exhibit A, whereby the City shall pay for or reimburse the Park District for the TIF-Funded Improvements related to the Project (the "Agreement"); now, therefore,

Be It Ordained by the City Council of the City of Chicago:

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

SECTION 2. The City hereby finds that the TIF-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City, consist of the cost of the Park District's capital improvements that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act.
SECTION 3. The Commissioner of Planning and Development and a designee are each hereby authorized, subject to approval by the City’s Corporation Counsel, to negotiate, execute and deliver the Agreement and such other documents as may be necessary to carry out and comply with the provisions of the Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Agreement on behalf of the City.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 5. This ordinance shall be in full force and effect from and after the date of its passage and approval.

Exhibit “A” referred to in this ordinance reads as follows:

Exhibit “A”.

1. Park:
   Winnemac Park.

2. Property:
   5100 North Leavitt Street, Chicago, Illinois 60625.

3. Project:
   The proposed improvements will include the installation of an artificial turf infield with grading/stormwater improvements to address the drainage of the baseball outfield and soccer field, lighting upgrades as needed for the fields and pathways, refurbishment of the two tennis courts and pathway paving throughout the park.

4. Amount Of Redevelopment Area Increment:
   Not to exceed $2,000,000.
5. **Project Budget:**

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Avenue North TIF Fund</td>
<td>$2,000,000</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$2,000,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseball diamond turf infield and ball field improvements</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Field drainage improvements and field restoration</td>
<td>550,000</td>
</tr>
<tr>
<td>Tennis court rehab (2)</td>
<td>175,000</td>
</tr>
<tr>
<td>Site paving and site improvements which may include lighting upgrades</td>
<td>275,000</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$2,000,000</strong></td>
</tr>
</tbody>
</table>

6. **TIF-Funded Improvements:**

The proposed improvements will include the installation of an artificial turf infield with grading/stormwater improvements to address the drainage of the baseball outfield and soccer field, lighting upgrades as needed for the fields and pathways, refurbishment of the two tennis courts and pathway paving throughout the park.

7. **Redevelopment Area:**

Western Avenue North Redevelopment Project Area.

8. **Date Of Adoption And Journal Page Numbers Of TIF Ordinances (including any amendments):**

Under ordinances adopted on January 12, 2000, and published in the *Journal of Proceedings of the City Council of the City of Chicago* (the "Journal") for such date at pages 22395 through 22494, the City Council of the City of Chicago (the "City Council"): (i) approved a redevelopment plan and project (the "Redevelopment Plan") for the Western Avenue North Redevelopment Project Area; (ii) designated the Western Avenue North Redevelopment Project Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment financing for the Western Avenue North Redevelopment Project Area. The Plan was amended by ordinance adopted on May 17, 2000.
The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance concerning the authority to enter into and execute a redevelopment agreement with Celadon Construction Corporation NFP, Celadon Partners LLC, Blackwood Development Partners LLC and forthcoming QALICB for the provision of Tax Increment Financing (TIF) funds for redevelopment at 4700 South Ashland Avenue, 4707 South Marshfield Avenue and 1635 -- 1643 West 47th Street, located in the 20th Ward (O2023-1383), in the amount of $5,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.
The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on March 27, 2002 and published at pages 81473 to 81625 of the Journal of the Proceedings of the City Council of the City of Chicago (the "Journal") of such date, a certain redevelopment plan and project (the "Original 47th/Ashland Plan and Project") for the 47th/Ashland Redevelopment Project Area (the "47th/Ashland Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on March 27, 2002 and published at pages 81626 to 81639 of the Journal of such date, the 47th/Ashland Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on March 27, 2002 (the "47th/Ashland TIF Ordinance") and published at pages 81640 to 81652 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs, as defined in the Act, incurred pursuant to the 47th/Ashland Plan and Project (as defined herein) and directed that the allocation of ad valorem taxes arising from levies by taxing districts upon the taxable real property in the 47th/Ashland Area and tax rates be divided in accordance with the Act and as described in the 47th/Ashland TIF Ordinance; and

WHEREAS, The Original 47th/Ashland Plan and Project has been amended five times (the "Amendments"); and

WHEREAS, The Original 47th/Ashland Plan and Project, as amended by the Amendments, are together herein referred to as the "47th/Ashland Plan and Project"; and

WHEREAS, Celadon Construction Corporation NFP, an Illinois not-for-profit corporation, Celadon Partners LLC, an Illinois limited liability company, and Blackwood Development Partners LLC, an Illinois limited liability company (collectively, "Celadon"), will acquire real property which is generally located at 4700 South Ashland Avenue, 4707 South Marshfield Avenue and 1635 – 1643 West 47th Street, Chicago, Illinois (the "Site"); and

WHEREAS, Celadon plans to ground lease the Site to a to-be-formed entity that will be a Celadon affiliate (the "QALICB"), which will then sublease the Site to another to-be-formed entity that will also be a Celadon affiliate (the "Prime Tenant") for sub-sublease to various sub-subtenants of the Project (as defined herein); and

WHEREAS, Celadon Construction, the QALICB and the Prime Tenant are collectively referred to herein as the "Developer"; and
WHEREAS, Developer plans to redevelop the Site by: (i) redeveloping part of the Site, the ground floor of an existing building, into an approximately 22,000-square-foot mixed-use facility containing a federally-qualified health center as well as retail space, and (ii) on the other part of the Site, newly constructing the core and shell of an approximately 6,200-square-foot building for a to-be-determined commercial purpose (collectively, the "Project"); and

WHEREAS, Developer proposes to undertake the Project in accordance with the 47th/Ashland Plan and Project and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, including but not limited to the completion of the Project; and

WHEREAS, Pursuant to Resolution 23-CDC-01, adopted by the Community Development Commission of the City of Chicago (the "Commission") on January 10, 2023, the Commission has recommended that the Developer be designated as the developer for the Project and that the Department of Planning and Development ("DPD") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

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

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

SECTION 3. The Commissioner of DPD (the "Commissioner") or a designee are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

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

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

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

Exhibit "A" referred to in this ordinance reads as follows:
Exhibit "A".
(To Ordinance)

United Yards 1B Redevelopment Agreement.

This United Yards 1B Redevelopment Agreement (this "Agreement") is made as of this _____ day of ____________, 2023, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Celadon Construction Corporation NFP, an Illinois not for profit corporation ("Celadon Construction"), Celadon Partners, LLC, an Illinois limited liability company ("Celadon Partners") Blackwood Development Partners LLC, an Illinois limited liability company ("Blackwood"). Celadon Construction, Celadon Partners, Blackwood, the Prime Tenant, and the QALICB are, collectively, the "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, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

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

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

D. The Project: Developer will acquire or otherwise purchase title to (the "Acquisition") both of: (i) the showroom floor parcel of the former Goldblatt's department store with street addresses of 4700 South Ashland Avenue and 4707 South Marshfield Avenue in the City (which parcel has already been legally subdivided from the remainder of the structure) (the "Goldblatt's Showroom Parcel"), and (ii) a vacant parcel with a street address of 1635-1643 West 47th Street in the City (the "New Commercial Building Parcel"). The Goldblatt's Showroom Parcel and the New Commercial Building Parcel are legally described on Exhibit B hereto (collectively, the "Property").

Within the time frames set forth in Section 3.01 hereof, the Developer shall:

(a) complete the rehabilitation of the Goldblatt's Showroom Parcel into (x) an approximately 14,358 sf space (the "FQHC Space") intended to be occupied by a Federally-Qualified Health Center ("FQHC"), and (y) an approximately 7,200 sf space into retail space (the "Other Goldblatt's Space") intended to be occupied by the Back of the Yards Coffee retail business or an affiliate thereof ("BYC") for the use by BYC and other local businesses; and

(b) newly construct on the New Commercial Building Parcel the core and shell of an approximately 6,200 sf building (the "New Commercial Space") intended to be occupied by a brewery or by other to-be-determined purposes; and

(c) sell or transfer title to the Property, including but not limited to the FQHC Space, the Other Goldblatt's Space and the New Commercial Space, to the QALICB; and

(d) ensure that the QALICB leases the FQHC Space, the Other Goldblatt's Space and the New Commercial Space to the Prime Tenant (the "Prime Lease") and ensure that the
Prime Tenant subleases the respective spaces to the FQHC, BYC, and a to-be-determined subtenant (collectively, the "Lease"); and

(e) thereby hope to create or retain jobs on the Property that equate to approximately 40 full-time-equivalent employees.

The combination of (a) and (b), above, collectively, comprise the Facility

The combination of (a), (b), (c), (d) and (e) above, collectively, comprise the redevelopment project (the "Project").

The Property is located within the Redevelopment Area. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago 47th/Ashland Redevelopment Project Area Tax Increment Financing Plan (the "Redevelopment Plan") included in the Plan Adoption Ordinance and published at pages 81473 to 81625 of the Journal of the Proceedings of the City Council for that date, as subsequently amended.

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

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(d) hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-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 mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

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

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

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

"Adjustment Amount" shall have the meaning set forth in Section 4.03(b).

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

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer’s obligations under this 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 with respect to any provision of this 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) compliance with the Operations Covenant (Section 8.06); (2) disclosure of Construction Jobs and Permanent Jobs (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) delivery of evidence that Chicago Sustainable Development Policy has been satisfied (Section 8.22); (7) compliance with the requirements of Increment and Rate of Return Reporting
(Section 8.28), (8) compliance with the Occupancy Covenants (Section 8.27); and (9) compliance with all other executory provisions of this Agreement.

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

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

"Bond Ordinance" shall mean the City ordinance authorizing the issuance of Bonds.

"Bridge Lender" shall mean ______________________, its successors and/or assigns.

"Bridge Loan" shall mean that certain loan in the amount of approximately __________________ made by Bridge Lender (or another provider of Lender Financing approved by the City) to Developer for the Project.

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

"Certificate of Occupancy" shall mean that certificate issued by the City's Department of Buildings regarding the occupancy of the Project.

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

"Chicago Sustainable Development Policy" shall mean the sustainable standards provided by the City in the Chicago Sustainable Development Policy Handbook.

"City Contract" shall have the meaning set forth in Section 8.01(1) hereof.

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

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

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

"Collateral Assignment" shall mean a collateral assignment of the right to receive payment of City Funds, such collateral assignment made by Developer to secure a bridge loan, if any, and in form and substance acceptable to the City in its sole discretion.

"Compliance Period" shall mean the longer of (1) if the Developer does not deliver an Extension Notice (defined below), a period beginning on the date the Certificate is issued and ending on the 10th anniversary of the end of the NMTC Compliance Period, and (2) if the Developer delivers an Extension Notice of one or more Cure Periods and cures the applicable Event of Default during either or both of the one-year periods for which the Extension Notice was
delivered, a period beginning on the date the Certificate is issued and ending on the 11th or 12th anniversary, as appropriate, of the end of the NMTC Compliance Period.

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

"Construction Jobs" shall have the meaning set forth in Section 8.06(b) hereof.

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

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

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

"Cure Period" shall have the meaning set forth in Section 15.03 hereof.

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

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

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

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

"Equity" shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, including but not limited to (i) deferred developer fee, (ii) donation tax credits equity, or (iii) funds donated by Chicago Community Trust, in the amounts set forth in Section 4.01 hereof, which amounts may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City, the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s).
"Event of Default" shall have the meaning set forth in Section 15 hereof.

"Extension Notice" shall have the meaning set forth in Section 15.03 hereof.

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

"Final Project Cost" shall have the meaning set forth in Section 7.01 hereof.

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

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

"Full-Time Equivalent Employee" or "FTE" shall mean an employee of the Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent position at least 35 hours per week at the Project during the applicable month, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by the Developer or by third parties in positions ancillary to the Developer's operations at the Project including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

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

"Hazardous Materials" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

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

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

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

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

"Investment Fund" shall mean __________________________ a _________.

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

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

"Lender Financing" shall mean funds borrowed by Developer from lenders and irrevocably available to pay for Costs of the Project, in the amounts set forth in Section 4.01 hereof, including, without limitation, the Bridge Loan, the NMTC Loan and the Senior Loan.

"Material Amendment" shall mean an amendment of either the Prime Lease or the Lease, the net effect of which is to directly or indirectly do any of the following with respect to the Project: (a) materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or other monetary amounts payable (or monetary credits) under the Prime Lease or the Lease, as applicable, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under the Prime Lease or the Lease, as applicable, of the amendment, or (b) shorten the initial term of the Prime Lease or the Lease, as applicable, or grant additional early termination rights that, if exercised, would shorten the initial term of the Prime Lease or the Lease, as applicable.

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

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

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

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

"Net NMTC Equity" shall have the meaning set forth in Section 4.01 hereof.

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

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

"NMTC" shall mean Federal New Markets Tax Credits.

"NMTC Compliance Period" shall mean the earlier of (a) the seventh (7th) anniversary of the closing date of the NMTC Loan or (b) the termination or repayment of the NMTC Loan.

"NMTC Lender" shall mean, collectively,
"NMTC Loan" shall mean those certain loans made by the NMTC Lender to QALICB for the Project.

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

"Operation Covenant" shall have the meaning set forth in Section 8.06(a) hereof.

"Other Regulated Material" means any Waste, Contaminant, material meeting 35 IAC Part 742 305, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

"Phase I ESA" shall mean a Phase I environmental site assessment of the Property in accordance with ASTM E-1527-13 (as most recently updated at the time of assessment).

"Phase II ESA" shall mean a Phase II environmental site assessment of the Property in accordance with ASTM E-1903-19 (as most recently updated at the time of assessment).

"Permanent Jobs" shall have the meaning set forth in Section 8.06(b) hereof.

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

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

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

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

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

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

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

"RAP" shall mean the Remedial Action Plan document required by the IEPA in order to receive a final, comprehensive residential No Further Remediation Letter.
"RAP Approval Letter" shall mean written approval from the IEPA of a Remedial Action Plan the RAP ("RAP"). The Parties agree that a single RAP Approval Letter may cover more than one Development Parcel or portions thereof.

"RACR" shall mean the Remedial Action Completion Report required by the IEPA in order to receive a final, comprehensive residential No Further Remediation Letter under the SRP.

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

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

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

"Remediation Work" means all investigation, sampling, monitoring, testing, reporting, removal, response, disposal, storage, remediation, treatment and other activities taken to obtain a No Further Remediation Letter in accordance with: the terms and conditions of the RAP Approval Letter issued by the Illinois Environmental Protection Agency ("IEPA"), the SRP Documents (as defined below), all requirements of the IEPA, [IF AER APPLICABLE: terms and conditions of the AIS-approved Alternative Environmental Requirements and Mitigation Plan] and all applicable federal, state, and local laws, ordinances, and regulations, including, without limitation, all applicable Environmental Laws.

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

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

"Senior Lender" shall mean, collectively, ____________________________.

"Senior Loan" shall mean ____________________________.

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

"SRP Documents" means all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the Remedial Action Plan, and the Remedial Action Completion Report and any and all related correspondence, data and other information prepared by either party pursuant to Section 11.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2016, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a
surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Sustainable Development Policy" shall mean the Chicago Sustainable Development Policy for the Project in effect as of the date of the initial zoning application.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the last day of the Compliance Period.

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

"TIF District Administration Fee" shall mean the fee described in Section 4.05(a) hereof.

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

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

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

"Title Company" shall mean ____________________.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing OALICB 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.

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

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City’s Department of Procurement Services, or otherwise certified by the City’s Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.
SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 8.17 hereof: (i) commence construction no later than 180 days after the Closing Date; (ii) complete rehabilitation of and conduct business operations in the FQHC Space and the Other Goldblatt's Space no later than [18] months after the Closing Date; and (iii) complete construction of the core and shell of the New Commercial Space no later than [18] months after the Closing Date. The Parties acknowledge that execution of this Agreement has occurred within one hundred eighty (180) days of City Council authorization.

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

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than $17,820,746.08. Developer hereby certifies to the City that the City Funds, together with Lender Financing, Equity, and Net NMTC Equity, all as described in Section 4.02 hereof, shall be sufficient to complete the Project. Developer hereby certifies to the City that (a) it has Lender Financing, Equity, and Net NMTC Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

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

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

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

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

Progress report documentation required by DPD may include, but shall not be limited to:

- Sub-contractor's activity report;
- Contractor's certification concerning labor standards and prevailing wage requirements;
- Contractor letter of understanding;
- Monthly utilization report;
- Authorization for payroll agent;
- Certified payroll; and
- Duplicates of applicable support documentation verifying the disbursement and receipt of overall project funds (i.e., invoices, canceled checks, partial and final waivers-of-lien, etc.).

If any shortfall exists, these reports must also include a plan by the Developer to address said shortfall.
The City also retains the right to review draw requests which must be accompanied by, among other things, invoices, canceled checks, lien waivers, owner's sworn statement, general contractor's sworn statement and MBE/WBE subcontractor contract amounts and certification letters as a prerequisite to disbursement.

Failure to meet any of the terms above will result in a delay of the issuance of the Certificate until all deficiencies are cured.

3.08 Inspecting Agent or Architect An independent agent or architect (other than Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder. The inspecting agent or architect may be the same one being used in such role by the NMTC Lender or the Senior Lender providing Lender financing, provided that such agent or architect (a) is not also Developer's agent or architect and (b) acknowledges in writing to the City that the City may rely on the findings of such agent or architect.

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

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

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

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

3.13 The Developer. Among their other obligations described in this Agreement, the Developer shall own the Property and undertake construction of the Project in accordance with this Agreement. Each Developer entity agrees that it shall not take any action which shall impede the performance of the other Developer entities under this Agreement. Notwithstanding any other provisions of this Agreement to the contrary, each Developer entity shall be jointly and severally liable for the obligations of the other party under this Agreement.
SECTION 4 FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be $17,820,746.08 to be applied in the manner set forth in the Project Budget (the "Total Project Cost") such costs shall be funded through a NMTC financing structure, including the NMTC Loan, in part, from the following sources:

Deferred Developer Fee $375,000
Additional Financing $492,346
Senior Loan/Lender Financing $2,900,000
City (TIF) Funds $5,000,000
Donation Tax Credits or CRP Funds $4,144,500
(to other funds in the discretion of the DPD Commissioner or the DOH Commissioner)
Net NMTC Equity $3,408,900
Chicago Community Trust grant $1,500,000

ESTIMATED TOTAL $17,820,746.08*

* Amount reflects anticipated Bridge Loan funds to bridge the City Funds

4.02 Developer Funds. Equity, Lender Financing and Net NMTC Equity, including bridge financing for any of the foregoing, and Grant Funds as set forth in Section 4.01 above, shall be used directly or indirectly through a NMTC financing structure to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Eligible Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Eligible Improvements incurred by Developer that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Eligible Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to Developer hereunder prior to the issuance of a Certificate.

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

<table>
<thead>
<tr>
<th>Source of City Funds</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental Taxes</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

provided, however, that the total amount of City Funds expended for TIF-Eligible Improvements shall be an amount not to exceed the lesser of $5,000,000 or 28.0% of the actual
total Project costs, and provided further, that the $5,000,000 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Eligible Improvements and allocated by the City for that purpose. The City Funds shall be paid to Developer in two equal disbursements pursuant to the time frames set forth herein and in accordance with the terms and conditions of this Agreement, as follows:

<table>
<thead>
<tr>
<th>Payment</th>
<th>Timing</th>
<th>Maximum Annual Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Payment</td>
<td>Issuance of the Certificate</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Second Payment</td>
<td>First Anniversary of the</td>
<td>$2,500,000</td>
</tr>
<tr>
<td></td>
<td>Issuance of the Certificate</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CITY FUNDS</strong></td>
<td></td>
<td><strong>$5,000,000</strong></td>
</tr>
</tbody>
</table>

City Funds derived from Incremental Taxes shall be available to pay such costs and allocated for such purposes so long as the amount of the Incremental Taxes is sufficient to pay for such costs.

The Developer acknowledges and agrees that the City's obligation to pay any City Funds is contingent upon the fulfillment of the conditions set forth in parts (a) and (b) above, as well as the prior issuance of the Certificate and the Developer's satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in Section 8.06.

(c) Reduction in City Funds. City Funds may be reduced if the final Total Project Cost falls below $17,820,746.08 and the City Funds will be reduced by $1.00 for every $1.00 shortfall. Such reduction shall be made from the Initial Payment and, if necessary, from the Second Payment.

4.04 Requisition Form. When Developer submits documentation to the City in connection with a request for the payment of City TIF Funds as described in Section 4.03(c), beginning on the first request for payment and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement, Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Eligible Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DPD).

Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Disbursements.

(a) TIF District Administration Fee. Annually, the City may allocate an amount not to exceed five percent (5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.
(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed $25,000 or $100,000 in the aggregate, may be made without the prior written consent of DPD.

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

4.07 Preconditions of Disbursement; Execution of Certificate of Expenditure. Prior to each disbursement of City Funds hereunder or execution of a Certificate of Expenditure by the City, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by Developer to DPD of any request for disbursement of City Funds, or the execution by the City of a Certificate of Expenditure 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 or request for execution of a Certificate of Expenditure, that:

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

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

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

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

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

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any (including any Lender Financing advanced into and
available in a controlled account pledged to NMTC Lender; (iii) the undischarged Equity (including any bridge financing for any of the foregoing), (iv) the Net NMTC Equity, (v) the undischarged Grant Funds set forth in Section 4.01 hereof, and (vi) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Project is not in Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or NMTC Lender (or an account controlled by NMTC Lender) or will make available (in a manner acceptable to the City), cash in an amount that will place the Project in Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement 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 but not limited to requirements set forth in the TIF Ordinances, this Agreement, and the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer’s compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 15.02 hereof.

4.09 Sale or Transfer of the Property or Project. Developer must obtain the prior approval of the City for any sale or transfer of any part of the Property or the Project during the Term of the Agreement.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Other Governmental Approvals. The City Building Department permits for either (i) the rehabilitation of the Goldblatt’s Showroom Parcel or (ii) the construction of the New Commercial Space must be secured prior to the Closing Date and evidence thereof submitted to DPD.

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

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity, Lender Financing, Net NMTC Equity (including any bridge financing for
any of the foregoing), and the Grant Funds in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other sources set forth in Section 4.01) to complete the Project. Developer has delivered to DPD a copy of the construction Escrow Agreement. Any liens against the Property in existence at the Closing Date, other than Permitted Liens, have been subordinated to certain encumbrances of the City set forth herein pursuant to a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, with the Office of the Clerk of Cook County.

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

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

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Searches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary of State</td>
<td>UCC, Federal tax</td>
</tr>
<tr>
<td>Cook County Recorder</td>
<td>UCC, Fixtures, Federal tax, State tax, Memoranda of judgments</td>
</tr>
<tr>
<td>U.S. District Court</td>
<td>Pending suits and judgments</td>
</tr>
<tr>
<td>Clerk of Circuit Court, Cook County</td>
<td>Pending suits and judgments</td>
</tr>
</tbody>
</table>

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

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

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

5.10 Lease. Prior to the Closing Date, the Developer must have provided the City with a copy of each tenant or ground lease, lease termination agreement, tenant relocation plan, operating lease, synthetic lease, if any, and any other lease associated with the Project.

5.11 Financial Statements. The Developer has provided Financial Statements to DPD for the most recent fiscal year and audited or unaudited interim financial statements, if any such documents are available.

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07.

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

5.14 Corporate Documents: Economic Disclosure Statement. Each entity comprising Developer has provided a copy of its Articles or Certificate of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which such entity is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; its by-laws or operating agreement, as applicable; and such other corporate documentation as the City has requested.

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

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

5.17 Prime Lease, the Lease, and Other Agreements. Complete copies of the Prime Lease, the Lease, and all other written agreements, if any, setting forth the parties' understandings relating to Developer's occupancy and leasing of the Property and any financial agreements between the parties in any way relating to the Property or the Prime Lease or the Lease, certified by Developer, shall have been delivered to the City.

5.18 Environmental The Developer has provided, and the City's Department of Assets, Information and Services shall have approved, a Phase I Environmental Site Assessment for the Property dated within 180 days prior to the Closing Date, and a Phase II Environmental Site Assessment for the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed such assessments, authorizing the City to rely on such assessments.

SECTION 6. AGREEMENTS WITH CONTRACTORS

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

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

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

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

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

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

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of construction of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, which shall include a final Project budget detailing the total actual cost of the construction of the Project (the "Final Project Cost"), DPD shall issue to the Developer the Certificate (the "Certificate"), all in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. No Certificate shall be issued unless DPD is satisfied that the Developer has fulfilled all of the following obligations:

(a) Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for the Project;

(b) Developer has completed construction of the Project according to the Plans and Specifications;

(c) Developer's FQHC is occupied and operational; and

(d) Evidence that at least 75% of the Goldblatt's Showroom Parcel is occupied and operational; and

(e) Evidence that the core and shell of the New Commercial Space is completed; and

(f) The Facility is open for operation, and the Opening Occupancy has been attained;
(g) Evidence acceptable to DPD that the Total Project Cost is equal to, or in excess of, $17,820,746.08. As described in Section 4.03(c), the City Funds will be reduced on a dollar for dollar basis if the Total Project Cost is less than $17,820,746.08;

(h) Evidence that Developer has incurred TIF-eligible expenses in an amount equal to, or greater than, the total amount of City Funds for the Project (up to $5,000,000);

(i) The City’s Monitoring and Compliance Unit has verified that, at the time the Certificate is issued, the Developer is in full compliance with City requirements set forth in Section 10 and Section 8.09 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project, and that 100% of the Developer’s MBE/WBE Commitment in Section 10.03 has been fulfilled;

(j) The Developer has provided evidence acceptable to DPD that the Developer has complied with the Sustainable Development Policy for the Project; provided, however, that if the City determines prior to issuing the Certificate that the Project does not satisfy the Sustainable Development Policy, than the Letter of Credit Amount shall increase by $250,000;

(k) There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

DPD shall make best efforts to respond to the Developer’s written request for a Certificate within forty-five (45) days by issuing either the requested Certificate or a written statement detailing the ways in which the Project as a whole does not conform to this Agreement or has not been satisfactorily completed, and the measures that must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the rehabilitation and 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, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02 and 8.19 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer’s rights under this Agreement and assume Developer’s liabilities hereunder.
7.03 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies.

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

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

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

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

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

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

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

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, QALICB shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for
the Permitted Liens, Lender Financing as disclosed in the Project Budget, and non-governmental charges that Developer is contesting in good faith pursuant to Section 8-15 hereof).

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

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

(g) Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to undertake any construction of the Project as such construction is undertaken;

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

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

(j) prior to the issuance of a Certificate, Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business and except for the master lease from QALICB to and Prime Tenant, and the sub-subleases from the Prime Tenant to Project sub-subtenants; (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, other than in connection with the Lender Financing, including but not limited to the NMTC Loan, the Senior Loan and other financing needed to complete the Project; provided that the City expressly consents to the guarantees and indemnities entered into by Developer in conjunction with the NMTC Loan, the Senior Loan and other financing needed to complete the Project; (i) a guaranty by Developer of the NMTC Loan, (ii) Developer agreeing to indemnify the investor member of the Investment Fund on account of a recapture or disallowance of the NMTC expected to be claimed by such party, (iii) an environmental indemnity by Developer for the benefit of the NMTC Lenders and affiliates thereof, and (iv) guarantees and obligations of and under the Lender Financing; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(k) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and
(I) 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 pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

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

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

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

(p) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except in accordance with the terms of Section 18.14 of this Agreement, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement;

(q) The covenants listed in this Section 8 pertaining to transfers, shall not apply to a transfer of ownership interest from QALICB or Developer to one of QALICB's or Developer's subsidiaries or affiliates through a quitclaim deed;

(r) Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct
contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 75 percent ("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 not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) May 16, 2011, or (ii) 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 agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee, or (c) Bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

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

Developer agrees that a 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 Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

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

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

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

Individuals are "Domestic Partners" if they satisfy the following criteria:

(A) they are each other's sole domestic partner, responsible for each other's common welfare; and
(B) neither party is married; and
(C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
(D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
(E) two of the following four conditions exist for the partners:
   1. The partners have been residing together for at least 12 months
   2. The partners have common or joint ownership of a residence.
   3. The partners have at least two of the following arrangements:
      a. joint ownership of a motor vehicle;
      b. a joint credit account;
      c. a joint checking account;
      d. a lease for a residence identifying both domestic partners as tenants.
   4. Each partner identifies the other partner as a primary beneficiary in a will.

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

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

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

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

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

8.06 Job Creation and Retention: Operating Covenant.

(a) Developer will aspire to create and maintain forty (40) full-time equivalent, permanent jobs and seventy-five (75) temporary full-time equivalent, construction jobs at the Project. Developer’s failure to reach the afore-stated goals will not constitute an Event of Default under this Agreement. In addition, Developer agrees to report to DPD the number of jobs projected to be created by the Project as of the Closing Date.

(b) Annually, as part of the Annual Compliance Report, Developer shall report the number of jobs created to date by the Project, and shall submit to DPD a jobs report detailing the following information for each employee:

- Employee status as full-time or part-time
- ZIP code for their primary residency
- Total employment tenure in months
- Wages above or below the “Living Wage” rate as defined for that year

(c) Developer shall continuously operate the entirety of the Project for the duration of the Compliance Period.

During the Compliance Period, the Developer shall, at the time of filing the Annual Compliance Report, provide DPD with a notarized affidavit certifying to its compliance with this Section 8.06 for the 12 month period ending the day prior to the date of such filing date of such certificate.

8.07 Employment Opportunity: Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD’s satisfaction, the manner in which Developer shall correct any shortfall.
8.08 Employment Profile. Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD’s request.

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

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

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

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer’s fiscal year ended 2023 and each year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

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

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

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

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

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

8.17 Compliance with Laws.

(a) Representation. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be, as and when required, in compliance with all applicable Laws pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all Laws. Upon the City's request, the Developer shall provide evidence to the City of its compliance with this covenant.

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

8.19 Real Estate Provisions. The covenants set forth in this Section 8.19 shall run with the land and the leasehold interest and be binding upon any transferee for the Term of the Agreement.

(a) Governmental Charges.

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

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

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

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

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

(c) [intentionally omitted]

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

8.20 [intentionally omitted].

8.21 Annual Compliance Report. Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates. Failure by Developer to submit the Annual Compliance Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure pursuant to Section 15.03 hereof. The covenants set forth in this Section 8.21 shall run with the land and the leasehold interest and be binding upon any transferee for the Term of the Agreement.

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

8.23 Chicago Sustainable Development Policy. Developer shall provide evidence acceptable to the City that it has complied with the Chicago Sustainable Development Policy for the Project within one year after the date of the issuance of the Certificate.

8.24 Prime Lease and Lease Representations, Warranties and Covenants. The Developer represents, warrants and covenants as follows:

(a) as of the date hereof, each of the Prime Lease and the Lease is valid and binding as to ________________ , Prime Tenant, and ______________, as applicable, is in full force
and effect, and is either unmodified or modified only by approved Material Amendments and/or amendments that do not constitute Material Amendments;

(b) as of the date hereof, each of the ________, Prime Tenant, and ____________ has performed all of its current obligations under each of the Prime Lease and the Lease;

(c) Throughout the Term of the Agreement, each of ________, Prime Tenant, and ____________ shall deliver to DPD a copy of written notice of any change in circumstances of which Developer has knowledge that makes the representations and warranties in this Section 8.24 inaccurate; and (ii) shall comply with its obligations under each of the Prime Lease and the Lease;

(d) Throughout the Term of the Agreement, none of ________, Prime Tenant, and ____________ shall (i) execute or consent to a Material Amendment or (ii) sell, sublease, release, assign or otherwise transfer its interest in either the Prime Lease or the Lease, as applicable, except as contemplated by the Lease and the Operating Covenant without the prior written consent of DPD, which consent shall be in DPD’s sole discretion.

The covenants set forth in this Section 8.24 shall run with the land and the leasehold interest and be binding upon any transferee for the Term of the Agreement.

8.25. FOIA and Local Records Act Compliance.

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

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

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

Except in connection with any transfer of the Project from Developer to an affiliate thereof, or in connection with a financing related to the end of NMTC Compliance Period of the Project.

(a) if the sale, transfer or refinancing of the Project or any part thereof occurs during the Compliance Period (each happening being a “Capital Event”) while the NMTC Loan is outstanding and Developer is the seller of the Project, then Developer shall pay and remit to the City an amount equal to 100% of the total amount of City Funds paid to Developer as of the closing date of such transaction, but not more than the amount of the net proceeds (after repayment of the NMTC Loan) of any such sale, transfer or refinancing (the “Excess Proceeds”), on the closing date of such sale or transfer, and

(b) if there is a Capital Event after the NMTC Loan is discharged in full and any person or entity other than the Developer is the seller of the Project, then Developer shall contractually ensure that such person or entity shall pay and remit to the City, on the closing date of such sale or transfer, an amount equal to 100% of the total amount of City Funds paid to Developer as of the closing date of such transaction from the Excess Proceeds.

Any recaptured City Funds received by the City shall be deposited into the TIF Fund.

(c) Any City Funds subject to recapture that become due and owing to the City pursuant to Section 8.26(a) due to the occurrence of a Capital Event shall be paid by Developer on the closing date of such Capital Event.

(d) This Section 8.26 shall be in effect until a Capital Event in which Developer is no longer in control of the entire Project. With respect to Capital Event of less than the entire Project, such successor shall not have any obligations or liabilities under this Section 8.26 provided the Developer shall continue to have obligations under this Section 8.26 with respect to the portion of the Project that was not subject to the Capital Event.

(e) This section shall not apply to any refinancing of the Project, provided that no funds are disbursed to the Developer.

(f) The Commissioner of DPD shall have discretion to consent to a waiver of the preceding requirement in Section 8.26 (a) if the Excess Proceeds from such a Capital Event are used for the development of a future phase of the Project in the Redevelopment Area, which consent shall be in the Commissioner’s sole discretion.

8.27 **Employment Plan.** As of the Closing Date, the Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07.

8.28 **Increment and Rate of Return Reporting.** Pursuant to the TIF Act, the Developer shall report to DPD, at the Closing Date, the tax increment that it projects will be created over the Term of the Agreement on the Project’s parcels. At the same time as its filing of an Annual
Compliance Report, the Developer shall report to DPD the tax increment actually created during the reporting year on the Project’s parcels.

At the same time as its filing of an Annual Compliance Report, Developer shall report to DPD the Project’s rate of return. The rate of return reported to DPD shall have been independently verified in advance by a third party chosen by the City.

8.29 Occupancy Covenants.

(a) Not later than the second anniversary of the Certificate, the Developer shall ensure
- that at least 80 percent of the square footage in the Goldblatt’s Showroom Parcel is occupied and operating as commercial space, and
- that at least 60 percent of the square footage in the New Commercial Space is leased and occupied as commercial space.

(b) Not later than the third anniversary of the Certificate, the Developer shall ensure that at least 80 percent of the square footage in the New Commercial Space is leased and occupied as commercial space.

(c) The covenants in (a) and (b) hereof, once met, shall continue without interruption through the end of the Compliance Period.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City’s execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.
SECTION 10. DEVELOPER’S EMPLOYMENT OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

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

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

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

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

(1) At least 26 percent by MBEs.
(2) At least six percent by WBEs.
(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable.

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

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

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

11.01 Environmental Investigation. The City shall grant the Developer the right, at its sole cost and expense, and in the City’s customary form and subject to City’s receipt from Developer of required documentation (e.g., evidence of insurance and an Economic Disclosure Statement and Affidavit), to enter the Property to perform any surveys, environmental assessments, soil tests and other due diligence it deems necessary or desirable to satisfy itself as to the condition of the Property; provided, however, that the City shall have the right to review and approve the scope of work for any environmental testing. If the Developer determines that it is not satisfied, in its sole and absolute discretion, with the condition of the Property, it may terminate this Agreement by written notice to the City any time prior to the Closing Date, whereupon this Agreement shall be null and void and, except as otherwise specifically provided, neither Party shall have any further right, duty or obligation hereunder. If the Developer elects not to terminate this Agreement pursuant to this Section 11.1, the Developer shall be deemed satisfied with the condition of the Property.

11.02 Environmental Remediation. The Developer has obtained Phase I Environmental Site Assessments ("ESAs") of the Property, which identified several Recognized Environmental Conditions ("RECs"). An updated or new Phase I for the Site will be needed prior to closing for any City-owned parcels conveyed more than 180 days from the original Phase I ESAs. Unless otherwise approved by the City, the new or updated Phase I ESA must be in compliance with the most recent ASTM standard referenced by regulation in the United States Environmental Protection Agency's All Appropriate Inquiries Rule at the time of conveyance (currently ASTM E-1527-13). The Phase I ESA identified RECs and the Developer performed a Phase II ESA to ascertain the presence of any environmental impacts that may be associated with the RECs. The Phase II ESA identified contamination above residential remediation objectives as determined by Title 35 of the Illinois Administrative Code ("IAC") Part 742. The Developer shall remove any soil not meeting the requirements of 35 IAC Section 742.305. Any underground storage tanks ("USTs") identified must be removed and closed in accordance with applicable regulations.
including Title 41 of IAC Part 175 and any identified leaking USTs must be properly addressed in accordance with 35 IAC Part 734.

The Site must be enrolled in the Illinois Environmental Protection Agency's (IEPA) Site Remediation Program ("SRP"). The IEPA will require a Comprehensive Site Investigation Report/Remedial Objectives Report/Remedial Action Plan ("CSIR/ROR/RAP"). The Developer acknowledges and agrees that it may not commence land disturbance on the Site until the IEPA issues a Remedial Action Plan ("RAP Approval Letter").

Upon receipt of the RAP Approval Letter, the Developer covenants and agrees to complete all Remediation Work necessary to obtain a Final Comprehensive Residential NFR Letter for the Property. The City shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer's estimate of the cost to perform the Remediation Work. The City must be named in a reliance letter for all environmental assessments prepared for the Property. The Developer shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final Comprehensive Residential NFR Letter, and any other investigative and cleanup costs associated with the Property, including, but not limited to, the removal of pre-existing building foundations, demolition debris, and soil or soil gas not meeting the requirements of 35 Ill. Adm. Code Part 742. In addition, the Developer shall remove and close any identified underground storage tanks ("USTs") in accordance with applicable regulations, including 41 Ill. Adm. Code Part 175, and shall properly address any identified leaking USTs in accordance with 35 Ill. Adm. Code Part 734. The Developer shall also abandon any permanent wells pursuant to the requirements provided in Section 920.120 of the Illinois Water Well Construction Code (77 Ill. Adm. Code Part 920). The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees to not request a permit of occupancy for the Project until the IEPA has issued, AIS has approved (which approval will not be unreasonably withheld), and the Developer has recorded a Final Comprehensive Residential NFR Letter for the Property with the Cook County Clerk's Office. If the Developer fails to obtain the Final Comprehensive Residential NFR Letter within six (6) months of the submission of the RACR to the IEPA, then the City shall have the right to record a notice of default of this RDA against the Property. The Developer must abide by the terms and conditions of the Final Comprehensive Residential NFR Letter.

11.03 Developer will conduct a Hazardous Building Material Survey of the Site prior to conducting any work that could constitute renovation, demolition, or abatement under the Environmental Laws ("abatement work") on or within an existing physical structure located on the Property. The Hazardous Building Material Survey shall include (but is not limited to) asbestos and lead-based paint surveys and testing and visually inspecting and, as necessary, testing the Property to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids), mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges), radioactive material-containing equipment and/or waste, medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes), refrigerants such as chlorofluorocarbons (CFCs), large appliances or equipment, mold, or any
other materials that may require special handling or disposal during or after abatement work. A report documenting the Hazardous Building Material Survey results and an abatement plan shall be submitted to the City for review prior to beginning any abatement work.

The Developer will incorporate the results of the Hazardous Building Material Survey into its Project documents and perform abatement work as part of the Project in accordance with all Environmental Laws. A report documenting the completion of the abatement work shall be submitted to and approved by the City prior to approval of the Property for occupancy. If abatement work activities are not deemed sufficient by the City, the Developer shall continue work at their own expense until approved.

11.04 Release and Indemnification. The Developer, on behalf of itself and the other Developer Parties, or anyone claiming by, through, or under the Developer Parties, hereby releases, relinquishes and forever discharges the City from and against any and all Losses which the Developer or any of the Developer Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the Closing Date, based upon, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances in on, under or about the Property or the migration of Hazardous Substances from or to other property, unless the Hazardous Substances migrate from property owned by the City to the Property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend (through an attorney reasonably acceptable to the City), indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the Developer Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

11.05 Release Runs with the Land. The covenant of release in Section 11.3 shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer for the Purchase Price. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer, or any of the Developer Parties, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer,
nor any of the Developer Parties, will assert that those obligations must be satisfied in whole or in part by the City because Section 11.3 contains a full, complete and final release of all such claims.

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

SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than $500,000 each accident, illness or disease
(ii) **Commercial General Liability (Primary and Umbrella)**

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

(iii) **Automobile Liability (Primary and Umbrella)**

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

(iv) **Railroad Protective Liability**

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

(v) **All Risk /Builders Risk**

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

(vi) **Professional Liability**

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

(vii) **Valuable Papers**

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

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

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

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.
Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

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

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

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

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

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

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

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

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an Indemnitee, and collectively the Indemnites) harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such 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 in any manner relating or arising out of:

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

(ii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or
(iii) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate of Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer, or

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

(k) prior to the end of the Term of the Agreement, without the prior written consent of the City, any sale, transfer, conveyance, lease or other disposition of all or substantially all of Developer's assets or any portion of the Property (including but not limited to any fixtures or
equipment now or hereafter attached thereto) except in the ordinary course of business or as otherwise expressly permitted by this Agreement,

(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;

(m) the assignment or other direct or indirect transfer by ______, Prime Tenant or Developer of the Prime Lease or by Prime Tenant, ____________, or Developer of the Lease without the prior written approval of the City (which shall be in the City's sole discretion);

(n) an Event of Default (as defined in the Prime Lease or the Lease, as applicable) by ______ or Prime Tenant under the Prime Lease or by Prime Tenant, or ______ under the Lease, as applicable, that is not cured within the cure period, if any, granted under the Prime Lease or the Lease, as applicable, or the Developer's execution of a Material Amendment without the prior written approval of the City under Section 8.24;

(p) within 30 days before the first anniversary of the date the Certificate is issued, the City determines that the Project does not satisfy the Sustainable Development Policy,

(q) the failure of Developer to obtain the Certificate prior to the second anniversary of the Closing Date,

(r) failure of the Developer to submit the Annual Compliance Report to the City within 30 days after the end of the calendar year to which the Annual Compliance Report relates, as provided in Section 8.21.

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

15.02 Remedies.

(a) In addition to any remedies that may be available under Section 15.02(b), and subject, if applicable, to Section 15.02(c), upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and the Developer are or shall be parties, suspend disbursement of City Funds, seek reimbursement of any City Funds paid (provided, however, that the Developer's obligation to reimburse City Funds shall be deferred until thirty (30) days after the end of the NMTC Compliance Period), and/or, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages or injunctive relief.

Upon the occurrence of an Event of Default under Section 15.01(n) where the City intends to exercise the remedy to terminate this Agreement, suspend disbursement of City Funds, or reduce any payments under this Agreement, the City shall provide notice and an opportunity to cure as provided in Section 15.04(b).
(b) Upon the occurrence of an Event of Default under Section 15.01(n), Developer shall be obligated to pay to the City the amount of $10,000 as liquidated damages, and not as a penalty, which such payment shall be required no more often than once per calendar year. Any payment of liquidated damages by Developer shall not relieve Developer of its obligation under Section 8.20.

(c) Upon the occurrence of an Event of Default under Section 15.01(p) regarding Developer’s failure to satisfy the Sustainable Development Policy for the Project, the City’s sole remedy shall be the right to seek reimbursement of $250,000 of City Funds.

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

(b) In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that there shall be no notice or cure period for the Developer under this Section 15.03 with respect to Developer’s failure to comply with the operation covenant in Section 8.06 and Developer’s failure to submit the Annual Compliance Report by the time specified in Section 8.21 hereof.

(c) Notwithstanding anything in this Section 15.03 to the contrary, the Developer shall be entitled to two non-consecutive one-year cure periods (each being a “Cure Period”) during the life of the Compliance Period for the following non-monetary defaults:

- default of the filing of jobs reports as set forth in Section 8.06 hereof; and

- default of any occupancy covenant set forth in Section 8.27 hereof.

Each Cure Period shall begin with the filing by Developer with DPD of an irrevocable written notice (the “Extension Notice”).

During a Cure Period, the City will not be required to make a payment of TIF Funds. Each occurrence of a Cure Period shall extend the Term and the Compliance Period by one additional year. If two Cure Periods have occurred and have both been independently cured, then any subsequent default shall constitute an Event of Default without notice or opportunity to cure.
15.04 Lender Notice and Cure Right. To the extent that Lender Financing is derived from a tax credit investment, including but not limited to the New Markets Tax Credit, in the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to each of the lenders providing the Lender Financing, and each of the lenders providing the Lender Financing shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

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

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

SECTION 16 MORTGAGING OF THE PROJECT

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

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

(b) In the event that any mortgagee shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a
Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

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

SECTION 17. NOTICE

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

<table>
<thead>
<tr>
<th>If to the City:</th>
<th>If to Developer:</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chicago</td>
<td>Celadon Construction Corporation NFP</td>
</tr>
<tr>
<td>Department of Planning and Development</td>
<td>325 N. LaSalle Drive, Suite 350</td>
</tr>
<tr>
<td>121 North LaSalle Street, Room 1000</td>
<td>Chicago, IL 60654</td>
</tr>
<tr>
<td>Chicago, Illinois 60602</td>
<td>Celadon Partners, LLC</td>
</tr>
<tr>
<td>Attention: Commissioner</td>
<td>4707 S. Marshfield Avenue</td>
</tr>
<tr>
<td></td>
<td>Chicago, IL 60609</td>
</tr>
<tr>
<td></td>
<td>Attention: Aron Weisner</td>
</tr>
<tr>
<td></td>
<td>[Prime Tenant]</td>
</tr>
</tbody>
</table>

[QLICB]

With Copies To:                         With Copies To:

[Prime Tenant]
SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto, provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "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 ninety (90) days.

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

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

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

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

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

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

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

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

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

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

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

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

18.14 Assignment. Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however that Developer or Prime Tenant may execute a Collateral Assignment in favor of any lender holding
Lender Financing. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.23 (Survival of Covenants) hereof, throughout the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.16 Force Majeure. Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

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

18.19 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.
18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code) (a "Financial Interest"), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]
IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

Celadon Partners, LLC,
an Illinois limited liability company

By: ________________________
Name: ________________________
Title: Manager

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

Blackwood Development Partners LLC,
an Illinois limited liability company

By: _________________________
Name: _________________________
Title: Manager

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

[QALICB],
an Illinois limited liability company

By: __________________________
Name: __________________________
Title: Manager

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

[PRIME TENANT],
an Illinois limited liability company

By: ______________________
Name: ______________________
Title: Manager

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

CITY OF CHICAGO, by and through its Department of Planning and Development

By: ______________
Maurice D. Cox, Commissioner

STATE OF ILLINOIS  
COUNTY OF COOK  

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

GIVEN under my hand and official seal this ___th day of ______________, 2023.

Notary Public _________________________

My Commission Expires___________

[(Sub)Exhibits "D", "I", "K", "M" and "N" referred to in this United Yards 1B Redevelopment Agreement intentionally omitted.]

[(Sub)Exhibits "A", "E", "F", "J" and "O" referred to in this United Yards 1B Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "B", "C", "G", "H-1", "H-2" and "L" referred to in this United Yards 1B Redevelopment Agreement read as follows:
Former Goldblatt's Building, Ground Floor:

That part of Lots 1 to 5, inclusive (except that part of said lots taken for widening South Ashland Avenue); Lot 43 (except that part of said Lot 43 dedicated for an alley by Document Number 5610414); Lots 44 to 47, both inclusive, and 16-foot strip formerly alley and now vacated lying west of and adjoining said Lots 1, 2 and 3 all in Block 1 in Berger and Jacob's Subdivision of Block 9 in Stone and Whitney's Subdivision of the west half of the southeast quarter of Section 6 and the north half and west half of the southeast quarter of Section 7, Township 38 North, Range 14, East of the Third Principal Meridian, also all that part of the north and south alley being part of said Lot 43 as dedicated and recorded in the Office of the Recorder of Deeds in Cook County, Illinois on April 12th, 1995 as Document Number 5610414 together with that part of the north and south alley lying west of and adjoining the west line of Lots 4 and 5 and lying east of and adjoining the east line of original Lot 43 and lying north of and adjoining a line drawn from the southwest corner of Lot 5 to the southeast corner of original Lot 43, all in Block 1 of Berger and Jacob's Subdivision aforementioned, lying between the horizontal planes of 14.75 feet and 32.00 feet, Chicago City Datum (CCD), based on the City of Chicago benchmark monument Number 90 having an elevation of 14.545 CCD, described as follows:

beginning at the northwest corner of said Lot 47; thence south 89 degrees, 44 minutes, 57 seconds east along the south line of West 47th Street, being an assumed bearing, 88.81 feet to a point on the northerly extension of the centerline of an existing wall within an existing building; thence south, east and north the following five courses along said centerline: (1) south 00 degrees, 22 minutes, 21 seconds west 25.55 feet; (2) south 89 degrees, 37 minutes, 39 seconds east 49.45 feet; (3) north 00 degrees, 22 minutes, 21 seconds east 7.00 feet; (4) south 89 degrees, 37 minutes, 39 seconds east 44.40 feet; (5) north 00 degrees, 22 minutes, 21 seconds east 18.75 feet to a point on said south line of West 47th Street; thence south 89 degrees, 44 minutes, 57 seconds east along said south line of West 47th Street 65.69 feet to a point on the west line of said South Ashland Avenue as widened; thence south 00 degrees, 01 minutes, 39 seconds east 16.36 feet to an inside corner of said brick building; thence north 89 degrees, 44 minutes, 57 seconds west along the south line of said Lot 5, a distance of 111.17 feet to the southwest corner thereof, also being the westerly face of the existing brick building; thence north 00 degrees, 18 minutes, 39 seconds east along said west face 16.36 feet to a point on the north line of
the existing public alley; thence north 89 degrees, 44 minutes, 57 seconds west continuing along said north line 46.81 feet to a point on the southerly extension of the centerline of an existing wall within an existing building; thence north and west the following seven courses along said centerline: (1) north 00 degrees, 18 minutes, 39 seconds east 29.59 feet; (2) south 89 degrees, 56 minutes, 47 seconds west 24.20 feet; (3) north 00 degrees, 03 minutes, 13 seconds west 17.06 feet; (4) north 41 degrees, 31 minutes, 43 seconds west 5.61 feet; (5) south 89 degrees, 56 minutes, 47 seconds west 18.01 feet; (6) north 00 degrees, 03 minutes, 13 seconds west 22.70 feet; (7) south 89 degrees, 56 minutes, 47 seconds west, 27.02 feet to a point on the east line of South Marshfield Avenue; thence north 00 degrees, 02 minutes, 06 seconds west along said east line 52.03 feet to the point of beginning, in Cook County, Illinois.

Roof And Water Tower Area:

That part of Lots 1 to 5, inclusive (except that part of said lots taken for widening South Ashland Avenue); Lot 43 (except that part of said Lot 43 dedicated for an alley by Document Number 5610414); Lots 44 to 47, both inclusive, and 16-foot strip formerly alley and now vacated lying west of and adjoining said Lots 1, 2 and 3 all in Block 1 in Berger and Jacob's Subdivision of Block 9 in Stone and Whitney's Subdivision of the west half of the southeast quarter of Section 6 and the north half and west half of the southeast quarter of Section 7, Township 38 north, Range 14, East of the Third Principal Meridian, also all that part of the north and south alley being part of said Lot 43 as dedicated and recorded in the Office of the Recorder of Deeds in Cook County, Illinois on April 12th, 1905 as Document Number 5610414, together with that part of the north and south alley lying west of and adjoining the west line of Lots 4 and 5 and lying east of and adjoining the east line of original Lot 43 and lying north of and adjoining a line drawn from the southwest corner of Lot 5 to the southeast corner of original Lot 43, all in Block 1 of Berger and Jacob's Subdivision aforementioned, lying between the horizontal planes of 107.00 feet and 145.00 feet, Chicago City Datum (CCD), based on the City of Chicago benchmark monument Number 90 having an elevation of 14.545 CCD, described as follows:

Commencing at the northwest corner of said Lot 47; thence south 00 degrees, 02 minutes, 06 seconds east along the west line of said Lot 47, also being east line of South Marshfield Avenue 125.20 feet to the southwest corner of said Lot 47, also being a point on the north line of a public alley; thence south 89 degrees, 44 minutes, 57 seconds east along said north line 36.20 feet to the point on the west wall of the existing penthouse, said point being the of beginning; thence north 00 degrees, 25 minutes, 45 seconds east along the west wall of said penthouse, 29.43 feet to the northwest corner thereof; thence north 89 degrees, 55 minutes, 26 seconds east along the north wall of said penthouse, 37.02 feet to the northeast corner thereof; thence south 00 degrees, 18 minutes, 39 seconds west along the east wall of said penthouse, 29.64 feet to a point on the north line of said public alley; thence north 89 degrees, 44 minutes, 57 seconds west along said north line, 37.08 feet to the point of beginning, in Cook County, Illinois.
New Commercial Building Site:

Lot 1 in Jars Resubdivision of Lots 1 through 4, in Block 2 in Berger and Jacob's Subdivision of Block 9 of Stone and Whitney's Subdivision of the west half of the southeast quarter of Section 6 and the north half and west half of the southeast quarter of Section 7, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

(Sub)Exhibit "C".
(To United Yards 1B Redevelopment Agreement)

TIF-Funded Improvements.

<table>
<thead>
<tr>
<th>TIF-Eligible Budget</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition Costs:</td>
<td>$ 0</td>
</tr>
<tr>
<td>Hard Costs:</td>
<td></td>
</tr>
<tr>
<td>Building Sitework</td>
<td>$ 990,000</td>
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<tr>
<td>Substructure</td>
<td>400,000</td>
</tr>
<tr>
<td>Shell</td>
<td>3,038,000</td>
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<tr>
<td>Interiors</td>
<td>1,950,000</td>
</tr>
<tr>
<td>Services</td>
<td>1,250,000</td>
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<tr>
<td>FFE</td>
<td>0</td>
</tr>
<tr>
<td>Special Construction and Demolition</td>
<td>450,000</td>
</tr>
<tr>
<td>Hard Cost Contingency</td>
<td>785,050</td>
</tr>
<tr>
<td>Total Hard Costs:</td>
<td>$8,863,050</td>
</tr>
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</table>
## Soft Costs/Fees:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture and Engineering</td>
<td>$0</td>
</tr>
<tr>
<td>Other Professional Services</td>
<td>0</td>
</tr>
<tr>
<td>Construction Management</td>
<td>0</td>
</tr>
<tr>
<td>Permits and Titles</td>
<td>0</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>0</td>
</tr>
<tr>
<td>Soft Cost Contingency</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Soft Costs:</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

**Total:** $8,863,050

Notwithstanding the total of TIF-Eligible Improvements or the amount of TIF-Eligible Costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed the lesser of $5,000,000 or 28.0 percent of the Project Budget.

(Sub)Exhibit "G".
(To United Yards 1B Redevelopment Agreement)

**Permitted Liens.**

1. **Liens Or Encumbrances Against The Property:**

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

2. **Liens or encumbrances against Developer or the Project, other than liens against the Property, if any (provided that Prime Tenant is providing a lien against its assets to Senior Lender as collateral in connection with a Senior Loan):**

   None.
(Sub)Exhibit “H-1”.
(To United Yards 1B Redevelopment Agreement)

Project Budget.

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acquisition Costs:</strong></td>
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</tr>
<tr>
<td><strong>Hard Costs:</strong></td>
<td></td>
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<tr>
<td>Building Sitework</td>
<td><strong>$990,000</strong></td>
</tr>
<tr>
<td>Substructure</td>
<td>400,000</td>
</tr>
<tr>
<td>Shell</td>
<td>3,038,000</td>
</tr>
<tr>
<td>Interiors</td>
<td>1,950,000</td>
</tr>
<tr>
<td>Services</td>
<td>1,250,000</td>
</tr>
<tr>
<td>FFE</td>
<td>962,500</td>
</tr>
<tr>
<td>Special Construction and Demolition</td>
<td>450,000</td>
</tr>
<tr>
<td>Hard Cost Contingency</td>
<td>785,050</td>
</tr>
<tr>
<td><strong>Total Hard Costs:</strong></td>
<td><strong>$9,825,550</strong></td>
</tr>
<tr>
<td><strong>Soft Costs/Fees:</strong></td>
<td></td>
</tr>
<tr>
<td>Architecture and Engineering</td>
<td><strong>$575,000</strong></td>
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<td>Other Professional Services</td>
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<td>Permits and Titles</td>
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<td><strong>Total Soft Costs:</strong></td>
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<tr>
<td><strong>Total:</strong></td>
<td><strong>$17,820,146</strong></td>
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</tbody>
</table>
(Sub)Exhibit “H-2”.
(To United Yards 1B Redevelopment Agreement)

*MBE/WBE Budget.*

**Acquisition Costs:**

**Hard Costs:**

- Building Sitework: $990,000
- Substructure: 400,000
- Shell: 3,038,000
- Interiors: 1,950,000
- Services: 1,250,000
- FFE: 0
- Special Construction and Demolition: 450,000
- Hard Cost Contingency: 785,050

**Total Hard Costs:** $8,863,050

**Soft Costs/Fees:**

- Architecture and Engineering: 0
- Other Professional Services: 0
- Construction Management: 0
- Permits and Titles: 0
- Developer Fee: 0
- Soft Cost Contingency: 0

**Total Soft Costs:** 0

**Total:** $8,863,050
Project MBE Total at 26 percent: $2,304,393

Project WBE Total at 6 percent: $ 531,783

(Sub)Exhibit "L".
(To United Yards 1B Redevelopment Agreement)

Requisition Form.

State of Illinois )
) SS.
County of Cook )

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

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

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

   $____________

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

   $____________

D. None of the costs referenced in paragraph C above have been previously reimbursed 
by the City.
E. Developer hereby certifies to the City that, as of the date hereof:

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

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

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

[Developer]

By: __________________________
    Name

Title: __________________________

Subscribed and sworn before me this _____ day of ____________ _____.

______________________________
My commission expires: __________

Agreed and Accepted:

______________________________
    Name

Title: __________________________

City of Chicago
Department of Planning and Development
REDEVELOPMENT AGREEMENT WITH AND PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO CIRCESTEEM, INC. FOR DEVELOPMENT OF FORMER LAKESIDE THEATER AT 4730 N. SHERIDAN RD. AS OPERATIONAL HEADQUARTERS.

[O2023-1336]

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance regarding the authority to enter into and execute an intergovernmental agreement with CircEsteem, Inc. for the provision of Tax Increment Financing (TIF) funds and a Chicago Recovery Plan Community Development Grant for development of property at 4730 North Sheridan Road, located in the 46th Ward (O2023-1336) in the amount of $5,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman

On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows.


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.
The following is said ordinance as passed:

WHEREAS, Pursuant to ordinances adopted by the City Council (the "City Council") of the City of Chicago (the "City"), published in the Journal of the Proceedings of the City Council of the City of Chicago for such date identified on Exhibit A attached hereto, and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City identified on Exhibit A (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment allocation financing for the Redevelopment Area (items (i) -- (iii), each as amended from time to time, collectively the "TIF Ordinance"); and

WHEREAS, The Department of Planning and Development ("DPD") desires to make a grant (the "Grant") to the Developer named in Exhibit A (the "Grantee") for the purpose of wholly or partially funding certain costs (the "TIF-Funded Improvements") of the Project described in Exhibit A (the "Project"), in the amount and under the terms and conditions set forth in Exhibit A; and

WHEREAS, A budget for the Project and a description of the TIF-Funded Improvements are each incorporated into Exhibit A; and

WHEREAS, The Project lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, The Grantee will be obligated to undertake the Project in accordance with the Plan and the terms and conditions set forth in Exhibit A, with the Project to be financed in part by a Grant consisting of certain incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Redevelopment Area (as defined in the TIF Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act; and

WHEREAS, Pursuant to Resolution 22-CDC-38 adopted by the Community Development Commission of the City (the "Commission") on August 9, 2022, the Commission has recommended that the Grantee and/or its affiliated entities be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Grantee for the Project; now, therefore,
Be It Ordained by the City Council of the City of Chicago:

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

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

SECTION 3. The Commissioner and a designee of the Commissioner (collectively, the "Authorized Officer") are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement with the Grantee and to execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Grant. The execution of such agreements and instruments and the performance of such acts shall be conclusive evidence of such approval. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Grant which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Grant to the Grantee.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:
This CircEsteem Redevelopment Agreement (this "Agreement") is made as of the "Agreement Date" by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Developer. Capitalized terms not otherwise defined herein shall have the meaning given in the table headed "Project Information" or in Section 2, as applicable.

**TABLE OF CONTENTS**

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<th>Section 10 Indemnification</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Section 11 Default and Remedies</td>
</tr>
<tr>
<td>Section 1 Recitals</td>
<td>Section 12 Mortgaging of the Project</td>
</tr>
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<td>Section 2 Definitions</td>
<td>Section 13 General Provisions</td>
</tr>
<tr>
<td>Section 3 The Project</td>
<td>Exhibit A Legal Description of the Property</td>
</tr>
<tr>
<td>Section 4 Project Financing</td>
<td>Exhibit B Project Budgets (Project, M/WBE, TIF Eligible)</td>
</tr>
<tr>
<td>Section 5 Conditions Precedent</td>
<td>Exhibit C Insurance Requirements</td>
</tr>
<tr>
<td>Section 6 Completion of Construction or Rehabilitation</td>
<td>Exhibit D Requisition Form</td>
</tr>
<tr>
<td>Section 7 Covenants/Representations/Warranties of Developer</td>
<td>Exhibit E Annual Compliance Report</td>
</tr>
<tr>
<td>Section 8 Maintaining Records and Right to Inspect</td>
<td>Exhibit F Construction Compliance</td>
</tr>
<tr>
<td>Section 9 Environmental Matters</td>
<td>Exhibit G Escrow Agreement, if applicable</td>
</tr>
<tr>
<td>Term (Agreement Section where first used)</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Agreement Date (preamble)</td>
<td>2023</td>
</tr>
<tr>
<td>Developer (preamble)</td>
<td>CircEsteem Inc., an Illinois not for profit corporation</td>
</tr>
<tr>
<td>Project (Recitals)</td>
<td>The Developer proposes to redevelop the existing 14,000 square foot former Lakeside Theater building, a potentially contributing property in the Uptown Square Historic District. The building is the current home of CircEsteem, a youth development organization that unites youth across all backgrounds and identities by fostering self-esteem and mutual respect through the practice and performance of circus arts. The project scope will include a full renovation of the property, including the restoration of the historic terra cotta façade, reconfigured lobby space, the build-out of training, performance and classroom spaces, as well as offices for the organization. In addition, a new kitchen and pantry will also be constructed. Developer will sublease or make other space arrangements for the use of not more than ten percent (10%) of the Project by Alternatives, Inc.</td>
</tr>
<tr>
<td>Ordinance Date (Recitals)</td>
<td>[DATE OF ORDINANCE APPROVING THIS AGREEMENT]</td>
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<tr>
<td>TIF Area (Recitals)</td>
<td>Lawrence/Broadway Redevelopment Project Area</td>
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<td>City Grant (Definitions)</td>
<td>$5,000,000</td>
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<td>Commencement Date (3.01)</td>
<td>Not later than 180 days after the Ordinance Date</td>
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<td>Completion Date (3.01)</td>
<td>Not later than 24 months after the Ordinance Date</td>
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<td>Capital</td>
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<td>Campaign Fundraising</td>
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<td>TOTAL</td>
<td>$10,168,845</td>
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<tr>
<td>Trade Names (5.05)</td>
<td>CircEsteem</td>
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<tr>
<td>--------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Certificate Deadline (6.05)</td>
<td>[THE DATE 2 YEARS AFTER THE AGREEMENT DATE]</td>
</tr>
<tr>
<td>Permitted Liens (12)</td>
<td>&quot;Permitted Liens&quot; Any mortgage securing any Lender Financing and those matters set forth as Schedule B title exceptions in the Title Policy, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.</td>
</tr>
<tr>
<td>Notice Addresses (13.14)</td>
<td>If to the Developer: CircEsteem Inc. 4370 N. Sheridan Rd. Chicago, IL 60640 Attention: Executive Director</td>
</tr>
<tr>
<td></td>
<td>If to the City: City of Chicago, Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</td>
</tr>
<tr>
<td></td>
<td>With a copy to: City of Chicago, Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</td>
</tr>
</tbody>
</table>
Signature page to Redevelopment Agreement

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

CircEsteem Inc.

By: ____________________________
Name: __________________________
Title: __________________________

CITY OF CHICAGO

By: ____________________________
______________________________, Commissioner
Department of Planning and Development
I, ____________________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that ____________________, personally known to me to be the ________ of CircEsteem, Inc., an Illinois not-for-profit corporation ("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 ___ day of ________________, 2023.

____________________________________
Notary Public

My Commission Expires __________

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

GIVEN under my hand and official seal this ___ day of _________, 2023.

__________________________

Notary Public

My Commission Expires _________
SECTION 1. RECITALS

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

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

C. City Council Authority. On the Ordinance Date, the City Council of the City (the "City Council") adopted an ordinance authorizing the Commissioner of DPD to enter into this Agreement to fund a portion of the costs of the Project.

D. TIF Area. The Project is located in the TIF Area. Under ordinances adopted on June 27, 2001 and published in the Journal of Proceedings of the City Council of the City for such date, the City Council: (i) approved a redevelopment plan and project (the "Redevelopment Plan") for the TIF Area; (ii) designated the TIF Area as a “redevelopment project area” within the requirements of the TIF Act; and (iii) adopted tax increment financing for the TIF Area. Items (i)-(iii) above, [as amended by the Amendment(s)], are collectively referred to herein as the “TIF Ordinances”.

E. City Funds. The City agrees to use, in the amounts set forth in Section 4.02 hereof, Incremental Taxes (as defined below)(the "City Funds") to pay for or reimburse the Developer for the costs of TIF-Funded Improvements (as defined below) pursuant to the terms and conditions of this Agreement.

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

SECTION 2. DEFINITIONS

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

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

"Annual Compliance Report” shall mean a signed report from Developer to the City in substantially the form attached as Exhibit E to this Agreement.
"Certificate" shall mean the Certificate of Completion of Construction or Rehabilitation.

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

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

"City Grant" shall have the meaning set forth in the Project Information hereof.

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

"Compliance Period" shall mean that period beginning on the date of the issuance of the Certificate until the third anniversary of such date.

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

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

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

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

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

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

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

"Final Project Cost" shall mean the total actual cost of the construction of the Project, as certified to and reasonably acceptable to DPD under Section 6.01 hereof.
“IEPA” shall mean the Illinois Environmental Protection Agency.

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

“Lender Financing” shall any funds borrowed by Developer from lenders and available to pay for Costs of the Project, in the amounts set forth in the Funding Sources, and any refinancing thereof.

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

“MBE/WBE Budget” shall mean the budget attached hereto as Exhibit B.

“MBE/WBE Program” shall have the meaning set forth in Exhibit F hereof.

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

“NFR Letter” shall mean a “no further remediation” letter issued by IEPA pursuant to the Site Remediation Program.

“Occupancy Covenant” shall have the meaning set forth in Section 7.05 hereof.

“Operations Covenant” shall have the meaning set forth in Section 7.04 hereof.

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

“Property” shall mean the real property described on Exhibit A.

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

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

“Requisition Form” shall mean the document, in the form attached hereto as Exhibit D, to be delivered by Developer to DPD pursuant to Section 4.06 of this Agreement.
“Scope Drawings, Plans and Specifications” shall mean final construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

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

“Survey” shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2016, dated within 75 days prior to the Closing Date, reasonably acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

“Sustainable Development Policy” shall mean the Chicago Sustainable Development Policy for the Project in effect as of the date of Developer’s initial application for the City Grant.

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending at the fifth anniversary of the date the Certificate is issued.

“TIF” shall have the meaning set forth in the Recitals.

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

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

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

“Title Company” shall mean [Name of Title Company].

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

“WARN Act” shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).
“WBE[s]” shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City’s Department of Procurement Services, or otherwise certified by the City’s Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

SECTION 3. THE PROJECT

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

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

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

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

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

3.06 Change Orders. Except as provided below in this Section 3.06, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be delivered by Developer to DPD as necessary; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of Developer Space by five percent (5%) or more (either
individually or cumulatively); (b) a change in the use of Developer Space to a use other than the Project; (c) a delay in the completion of the Project by more than six (6) months; or (d) Change Orders resulting in an aggregate increase to the Project Budget of ten percent (10%) or more. (each of the forgoing, a “Material Change Order”). Developer shall not authorize or permit the performance of any work relating to any Material Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD’s written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement).

3.07 Survey Updates. On the Completion Date, the Developer shall provide an updated Survey if the Project added new improvements to the Property.

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

SECTION 4. PROJECT FINANCING

4.01 Estimated Project Cost and Sources of Funds. The cost of the Project is estimated to be $10,168,845, to be applied in the manner set forth in the Project Budget.

4.02 City Grant. Subject to the terms and conditions of this Agreement, the City hereby agrees to provide up to the amount of the City Grant to reimburse the cost of TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs.

4.03 Uses of City Grant. City Grant funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements. Exhibit B sets forth, by line item, the Project Budget for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Grant funds for each line item therein (subject to the conditions described in this Agreement), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a TIF-Funded Improvement.

4.04 Distribution of City Grant.

Escrow Agreement alternative. If the Grantee has elected to receive the City Grant via progress payments (escrow), then subject to the conditions described in Section 4.02 and Section 4.03, the City shall disburse the City Grant in installments as described in the Escrow Agreement.

No Escrow Agreement alternative. If the Grantee has not elected to receive the City Grant via progress payments (escrow), then subject to the conditions described in Section 4.02 and Section 4.03, the City shall pay 100% of the City Grant at the issuance of the Certificate.
4.05 [intentionally omitted]

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

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

4.08 Cost Overruns. If the aggregate cost of TIF-Funded Improvements exceeds the City Grant funds available pursuant to Section 4.02 hereof, or if the cost of completing the Project exceeds the Estimated Project Cost, Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the Project.

4.09 Conditional Grant. The City Grant being provided hereunder is being granted on a conditional basis, subject to the Developer’s compliance with the provisions of this Agreement. The City Grant is subject to being reimbursed as provided in Section 11.02. The City Grant will be paid only so long as the amount of Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such grant.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

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

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

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<thead>
<tr>
<th>Secretary of State</th>
<th>UCC search</th>
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<tbody>
<tr>
<td>Secretary of State</td>
<td>Federal tax search</td>
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<tr>
<td>Cook County Recorder</td>
<td>UCC/Fixture search</td>
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<tr>
<td>Cook County Recorder</td>
<td>Federal tax search</td>
</tr>
<tr>
<td>Cook County Recorder</td>
<td>State tax search</td>
</tr>
<tr>
<td>Cook County Recorder</td>
<td>Memoranda of judgments search</td>
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<tr>
<td>U.S. District Court</td>
<td>Pending suits and judgments</td>
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<td>Clerk of Circuit Court, Cook County</td>
<td>Pending suits and judgments</td>
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5.06 **Environmental.** Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audit(s). If applicable based on results of the phase II environmental audit, the Developer shall provide the City with a final comprehensive (if applicable) NFR Letter with respect to the Property, signed by the IEPA upon issuance thereof.

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

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

5.09 **Litigation.** The Developer must have provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer and the Property.

5.10 **Insurance.** The Developer, at its own expense, must have insured the Property in accordance with Exhibit C hereto, or Accord Form 27 certificates evidencing the required coverages.
5.11 **Construction Compliance Informational Conference.** Developer shall provide to the City a copy of the informational conference letter signed by DPD’s construction and compliance division.

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

**SECTION 6. COMPLETION OF CONSTRUCTION OR REHABILITATION**

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

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

The Developer acknowledges and understands that the City will not issue the Certificate and pay out, as applicable, (a) the City Grant (if the Grantee has not elected to receive the City Grant via an Escrow Agreement), or (b) the final installment of the City Grant (if the Grantee has elected to receive the City Grant via an Escrow Agreement), until the following conditions have been met:

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

6.02 **Continuing Obligations.** The Certificate relates only to the respective performance of the work associated with the Project improvements. After the issuance of the Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein unrelated to such work will remain in effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.
Those covenants specifically described at Sections 7.02, 7.04, and 7.05 as covenants that run with the land will bind any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement or such shorter period as may be explicitly provided for therein. The other executory terms of this Agreement shall be binding only upon the Developer or a permitted assignee under Section 7.01(d) of this Agreement.

6.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, the Certificate will not be issued, and the City will have the right to terminate this Agreement. If this occurs, no City Grant funds will be paid to the Developer.

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

6.05 Failure to Obtain Certificate. If the Developer has not received the Certificate by the Certificate Deadline, the City shall have the right to terminate the Agreement and cancel any future payments.

6.06 Sustainability Requirements. The Developer shall provide evidence acceptable to the City that it has complied with the Moderate Renovation Project requirements of the Chicago Sustainable Development Policy for the Project within one year of the date of the issuance of the Certificate. If a default occurs under the Chicago Sustainable Development Policy requirement, the City shall have the right to reduce the amount of the City Grant by $250,000.

SECTION 7. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

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

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

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

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

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

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

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

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

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

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

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

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

7 02 Covenant to Redevelop. Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.
7.03 **Use of City Grant.** City Grant funds disbursed to Developer shall be used by Developer solely to reimburse Developer for its payment for TIF-Funded Improvements as provided in this Agreement.

7.04 **Operations Covenant.** The Developer hereby covenants and agrees, throughout the Term of the Agreement, to maintain that the entire Project hall remain occupied and otherwise open for business (the "Operations Covenant"). The covenants set forth in this Section shall run with the land and be binding upon any transferee.

7.05 **Occupancy Covenant.** The Developer hereby covenants and agrees, throughout the Term of the Agreement, to maintain that not less than 75% of the Project shall remain occupied by operational businesses (the "Occupancy Covenant"). The covenants set forth in this Section shall run with the land and be binding upon any transferee.

7.06 **Jobs Reporting Requirement.** The Developer hereby covenants and agrees, throughout the Term of the Agreement, to report to DPD information about jobs maintained at the Project in a form acceptable to DPD.

7.07 **Annual Compliance Report.** Following the issuance of the Certificate, each Year throughout the Term of the Agreement, the Developer shall submit to DPD by June 30th the Annual Compliance Report itemizing each of Developer’s obligations under this Agreement during the preceding calendar year. If this report is not received within this timeframe, the City will notify Developer in writing of such deficiency. Thereafter, Developer shall have ten (10) days to file the Annual Compliance Report with DPD. Developer’s failure to timely submit the report will constitute an Event of Default.

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

7.09 **Conflict of Interest.** Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the TIF program, or any consultant hired by the City or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer’s business or the Property.

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

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

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

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

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

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

7.16 Non-Governmental Charges. Except for the Permitted Liens, and subject to the next sentence, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charges. The Developer has the right, before any delinquency occurs, to contest any Non-Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

7.17 Governmental Charges.

(a) Payment of Governmental Charges. Unless being contested in accordance with Section 7.17(b) 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, a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Property or the Project including but not limited to real estate taxes.
(b) **Right to Contest.** Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer’s covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer’s intent to contest or object to a Governmental Charge and, unless, at DPD’s sole option:

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

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

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

7.19 **FOIA and Local Records Act Compliance.**

(a) **FOIA.** The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.
(b) **Exempt Information.** Documents that the Developer submits to the City with the Annual Compliance or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential," then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

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

**SECTION 8. MAINTAINING RECORDS AND RIGHT TO INSPECT**

8.01 **Books and Records.** The Developer, the general contractor and each subcontractor shall keep and maintain books and records that fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto and as otherwise necessary to evidence the Developer's compliance with its obligations under this Agreement, including, but not limited to, payroll records, general contractor's and subcontractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices and the like. Such books and records shall be available at the applicable party's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense.

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

**SECTION 9. ENVIRONMENTAL MATTERS**

The Developer hereby represents and warrants to the City that it has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with the requirements of all Environmental Laws and this Agreement. The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City and relating to the Project or the Property.
SECTION 10. INDEMNIFICATION

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

SECTION 11. DEFAULT AND REMEDIES

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

(a) the failure of Developer to complete the Project in accordance with the terms of this Agreement;

(b) the failure of the Developer to comply with any covenant or obligation, or the breach by the Developer of any representation or warranty, under this Agreement or any related agreement;

(c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect and Developer fails to cure such default within thirty (30) days after written notice from the City;

(d) the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

(f) the entry of any judgment or order against the Developer or the Property which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution,
(g) the dissolution of the Developer or the death of any natural person who owns a 50% or more ownership interest in the Developer, unless, in the case of a death, the Developer establishes to the DPD's satisfaction that such death shall not impair the Developer's ability to perform its executory obligations under this Agreement; or

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

11.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, may suspend disbursement of the City Grant and may seek reimbursement of the City Grant. 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.

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

SECTION 12. MORTGAGING OF THE PROJECT

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

Upon the request of a lender providing Lender Financing, the City shall agree to subordinate its interests under this Agreement to the mortgage of such lender pursuant to a written subordination agreement, the form of which shall be in a form reasonably acceptable to the City and Corporation Counsel. This provision does not apply to (i) mortgage(s) that replace any permanent mortgage and which secure financing in a principal amount not to exceed the principal amount of the permanent loan being refinanced, or (ii) any bridge loan outstanding immediately prior to such refinancing.

SECTION 13. GENERAL PROVISIONS

13.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto. 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 13.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental or construction obligations of Developer by more than ten percent (10%) 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 one-hundred and eighty (180) days.

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

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

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

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

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

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

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

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

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

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

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

13.13 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornados or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

13.14. Notices. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the Notice Address, by any of the following means: (a) personal service; (b) overnight courier, or (c) registered or certified mail, return receipt requested.

13.15. Severability. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein.

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

13.17. Exhibits. All of the exhibits attached to this Agreement are incorporated into this Agreement by reference.
13.18. **Business Relationships:** The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

[(Sub)Exhibit "G" referred to in this CircEsteem Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "A", "B", "C", "D", "E" and "F" referred to in this CircEsteem Redevelopment Agreement read as follows:
Legal Description:

Lots 6 and 7 in Williams Deering Surrenden Subdivision of the west half of the northeast quarter of Section 17, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Common Address:

4730 North Sheridan Road
Chicago, Illinois 60640.

Permanent Index Number:

14-17-203-014-0000.
(Sub)Exhibit “B”.
(To CircEsteem Redevelopment Agreement)

Project Budget And Eligible Costs.

<table>
<thead>
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<th>PROJECT BUDGET ($)</th>
<th>MBE/WBE BASIS ($)</th>
<th>TIF ELIGIBLE ($)</th>
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<td>Acquisition</td>
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<td>Hard Costs</td>
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<td>FF&amp;E</td>
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MWBE Breakout

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<th>WBE (6%)</th>
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<td>443,356</td>
<td>2,364,564</td>
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(Sub)Exhibit “C”.
(To CircEsteem Redevelopment Agreement)

Insurance Requirements.

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

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

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

Commercial General Liability Insurance (Primary And Umbrella).

Commercial General Liability Insurance or equivalent with limits of not less than $1,000,000 per occurrence for bodily injury, personal injury, and property damage liability.

Coverage must include the following: all premises and operations, products/completed operations, explosion, collapse, underground, separation of insured, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the work.

Workers’ Compensation And Employer’s Liability.

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

Automobile Liability (Primary And Umbrella).

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

Requisition Form.

State of Illinois )
) SS.
County of Cook )

The affiant, ______________________, __________________________________ of ______________________, a
_______________________ (the "Developer"), hereby certifies that with respect to that certain
_________________________ Redevelopment Agreement between Developer and the City of
Chicago dated _____________, ______ (the "Agreement"):

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

B. TIF-Funded Improvements for the project, in the amount of $__________, have been
made:

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

$__________

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

$__________

E. [Intentionally omitted.]

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

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

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

2. No Event of Default or condition or event which, with the giving of notice or passage
of time or both, would constitute an Event of Default, exists or has occurred.
All capitalized terms which are not defined herein has the meanings given such terms in the Agreement. 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.

CircEsteem, Inc.

By: ________________________________

Name: ______________________________

Title: ______________________________

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

_________________________________
Notary Public

My commission expires: _____________

(Sub)Exhibit “E”.
(To CircEsteem Redevelopment Agreement)

Dated As Of [Insert Date]

[Insert Year] Annual Compliance Report.

Pursuant to Section 7.07 of the above referenced redevelopment agreement ("RDA"), CircEsteem, Inc. ("Developer") is committed to providing an annual compliance report.

Obligations under the agreement during the [Insert Year] calendar year:

(a) Itemize each of Developer's obligations under this Agreement during the preceding calendar year.
Compliance with the Operations Covenant (Section 7.04) -- Pursuant to Section 7.04 of the RDA, the Project is required to maintain its operations at the Project.

Compliance with the Occupancy Covenant (Section 7.05) -- Pursuant to Section 7.05 of the RDA, the Project is required to have (100 percent) of the Project remain open, occupied and otherwise open for business.

Compliance with the Jobs Reporting Requirement (Section 7.06).

Delivery of Financial Statements and unaudited financial statements (Section 7.11).

Delivery of updated insurance certificate (Section 7.12).

Provide evidence of payment of Non-Governmental Charges (Section 7.16).

Compliance with all executory provisions of the RDA.

(b) Certify Developer's compliance or noncompliance with such obligations.

-- The Project is in operation.

-- The Project is [Insert Percentage] occupied.

(c) Attach evidence of such compliance or noncompliance.

(d) Provide a report stating the number of jobs, if any, created as a result of the Project for this reporting period.

(e) Certify that Developer is not in default beyond applicable notice and cure period with respect to any provision of the Agreement or any related agreements:

-- Developer hereby certifies that the project is not in default with any provisions of the Agreement.

Attachments.

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

______________________________
CircEsteem, Inc. [Insert Date]
Agreements With Contractors.

1. Bid Requirement For General Contractor And Subcontractors. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD, if requested, for its inspection and written approval, (i) for the TIF-Funded Improvements, unless otherwise approved by DPD, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner.

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

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

4. Employment Profile. Upon DPD's request, the Developer, the General Contractor and all subcontractors must submit to DPD statements of their respective employment profiles. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the Construction Hiring Requirements.

5. Other Provisions. In addition to the requirements of Agreements with Contractors, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.05 (Change Orders), (Sub)Exhibit F, Construction Hiring Requirements, and Section 9.01 (Books and Records) of the RDA.

Construction Hiring Requirements

1. Employment Opportunity. The Developer shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the Developer; the "Employers" and individually an "Employer") to agree,
that for the Term of this Agreement with respect to Developer and during the period of any other party’s provision of services in connection with the construction of the Project or occupation of the Property:

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

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

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

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

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.
(f) Failure to comply with the employment obligations described in this paragraph shall be a basis for the City to pursue its remedies under the Redevelopment Agreement.

2. Prevailing Wage. The Developer, the General Contractor and all subcontractors must pay the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all persons working on the Project. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Prevailing Wage.

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

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

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

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

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

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

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

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

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this paragraph concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this paragraph. Therefore, in such a case of noncompliance, it is agreed that $\frac{1}{20}$ of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

4. MBE/WBE Commitment. The Developer agrees for itself and its successors and assigns and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that, during the Project:
(a) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE Program"), Section 2-92-420, et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this paragraph 4, during the course of the Project, at least the following percentages of the MBE/WBE Budget attached hereto as (Sub)Exhibit B (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

i. At least 26 percent by MBEs; and

ii. At least 6 percent by WBEs.

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

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

(d) Prior to the City's issuance of a Final Certificate, the Developer shall provide to DPD a final report describing its efforts to achieve compliance with this MBE/WBE Commitment. Such report shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE Commitment. DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with the Redevelopment Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.
(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Section 2-92-540, Municipal Code of Chicago.

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

(g) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this (Sub)Exhibit F. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this (Sub)Exhibit F; the sufficiency of which shall be approved by DPD. During the Project, the Developer shall, upon the request of the monitoring staff of DPD, such interim reports as the monitoring staff may require. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder.

REDEVELOPMENT AGREEMENT WITH AND PROVISION OF TAX_INCREMENT FINANCING ASSISTANCE FUNDS TO LILLIAN MARCIE LEGACY COMPANY FOR REHABILITATION OF PROPERTY AT 4341 -- 4343 S. COTTAGE GROVE AVE. INTO THEATER SPACE.

[O2023-1337]

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance concerning the authority to enter into and execute a redevelopment agreement with Lillian Marcie Legacy Company for the provision of Tax Increment Financing (TIF) funds to rehabilitate and develop the property at 4341 -- 4343 South Cottage Grove Avenue, located in the 4th Ward (O2023-1337), in the amount of $6,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.
This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on July 8, 1998 and published at pages 72320 to 72402 of the Journal of the Proceedings of the City Council of the City of Chicago (the "Journal") of such date, a certain redevelopment plan and project (the "Plan") for the 43rd Cottage Grove Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"), and was amended by a first amendment on September 29, 2004 and published at pages 31548 to 31768 of the Journal of such date, by a second amendment on December 14, 2022, and a third amendment on February 1, 2023; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on July 8, 1998 and published at pages 72403 to 72408 of the Journal of such date, the Area was designated as a redevelopment project area pursuant to the Act, as amended on September 29, 2004 and published at pages 31769 to 31777 of the Journal of such date, on December 14, 2022 and on February 1, 2023; and

WHEREAS, Pursuant to an ordinance (the "TIF Ordinance") adopted by the City Council on July 8, 1998 and published at pages 72409 to 72413 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan, as amended on September 29, 2004 and published at pages 31778 to 31785 of the Journal of such date, on December 14, 2022 and on February 1, 2023; and
WHEREAS, Lillian Marcie Legacy Company, an Illinois not-for-profit company ("Developer") owns property within the Redevelopment Area at 4341 - 4343 South Cottage Grove Avenue, Chicago, Illinois 60653 (the "Site") located within the Area shall complete rehabilitation of the property and develop it into the Lillian Marcie Theater, a community performing arts theater (the "Facility"); and

WHEREAS, The Facility will include a primary 350-seat theater, a secondary 100-seat boutique theater, rehearsal space, a lounge area and a roof-top deck ("Project"); and

WHEREAS, The Developer has proposed to undertake the redevelopment of the Site in accordance with the Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, including but not limited to rehabilitation of the facilities and to be financed in part by Incremental Taxes from the Area; and

WHEREAS, Pursuant to Resolution 21-CDC-25 adopted by the Community Development Commission of the City of Chicago (the "Commission") on March 9, 2021, the Commission recommended that the Developer be designated as the developer for the Project and that City's Department of Planning and Development ("DPD") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

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

SECTION 2. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-7 4. 4-4 of the Act.

SECTION 3. The Commissioner of DPD (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

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

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

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

Exhibit "A" referred to in this ordinance reads as follows:
Exhibit "A".
(To Ordinance)

Lillian Marcie Legacy Company Redevelopment Agreement.

This Lillian Marcie Legacy Co. Redevelopment Agreement (this "Agreement") is made as of this ___________ 2023 ("Closing Date"), by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Lillian Marcie Legacy Co. (the "Developer"), an Illinois not-for-profit corporation.

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on July 8, 1998, (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 43rd Street/Cottage Grove Avenue Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois Designating the 43rd Street/Cottage Grove Avenue 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 43rd Street/Cottage Grove Avenue Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances") as amended on September 29, 2004 ("First Amendment"), on December 14, 2022 ("Second Amendment"), and on February 1, 2023 ("Third Amendment"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.
D. The Project: The Developer has acquired (the "Acquisition") certain property located within the Redevelopment Area at 4341-43 S. Cottage Grove Avenue Chicago, Illinois 60653 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete redevelopment of the property into a 26,690 square foot performing arts theater containing an approximately 340-seat main stage, a smaller approximately 87-seat boutique theater, rehearsal space, a lounge area and a roof top deck (collectively, the "Theater"). The Developer intends to provide parking for the Project by renting them at the nearby King Community Center. The construction of the Theater is referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago 43rd Street/Cottage Grove Avenue Redevelopment Project Area Tax Increment Financing Plan (the "Redevelopment Plan") included in the Plan Adoption Ordinance adopted on July 8, 1998 and published at pages 72320-72402 of the Journal of the Proceedings of the City Council, as amended by the First Amendment, Second Amendment and Third Amendment.

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

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.
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1. Recitals, Headings and Exhibits
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J  Opinion of Developer’s Counsel
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L  Requisition Form
M  Form of Subordination Agreement
N  Form of Performance Bond

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

SECTION 2. DEFINITIONS

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

*“Act” shall have the meaning set forth in the Recitals hereof.

*“Acquisition” shall have the meaning set forth in the Recitals hereof.

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

*“Annual Compliance Report” shall mean a signed report from Developer to the City (a) itemizing each of Developer’s obligations under the RDA during the preceding calendar year, (b) certifying Developer’s compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating and Occupancy Covenants (Section 8.06); (2) compliance with the Job Creation Goals (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5)
delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) delivery of evidence that Chicago Sustainable Development Policy has been satisfied (Section 8.22); (7) compliance with the DCEO Grant Agreement and (8) compliance with all other executory provisions of the RDA.

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

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

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

"Certificate of Occupancy" shall mean that certificate issued by the City’s Department of Buildings regarding the occupancy of the Project.

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

"Chicago Sustainable Development Policy" shall mean the sustainable standards provided by the City in the Chicago Sustainable Development Policy Handbook.

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

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

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

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

"Collateral Assignment" shall mean a collateral assignment of the right to receive payment of City Funds, such collateral assignment to be made by Developer to secure a bridge loan and in form and substance acceptable to the City in its sole discretion.

"Compliance Period" shall mean a period beginning on the date the Certificate is issued and ending on the 10th anniversary of the date the Certificate is issued, as may be extended pursuant to Section 8.06.

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

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

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, to be entered into between Developer and the General Contractor providing for construction of the Project.
“Corporation Counsel” shall mean the City’s Department of Law.

“Cure Period” shall have the meaning as set forth in Section 8.06 hereof.

“DCEO Grant Agreement” shall mean that agreement dated as of the Closing Date herewith between the City and the Developer regarding the grant funds from the State of Illinois Department of Commerce & Economic Opportunity for this Project.

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

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

“Employment Plan” shall have the meaning set forth in Section 5.12 hereof.

“Environmental Laws” shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called “Superfund” or “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 9802 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

“Equity” shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.08 (Cost Overruns) or Section 4.03(b).

“Escrow” shall mean the construction escrow established pursuant to the Escrow Agreement.

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

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

“Theater” shall have the meaning set forth in the Recitals hereof.

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

“Financial Statements” shall mean complete audited financial statements of Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.
"General Contractor" shall mean the general contractor(s) hired by Developer pursuant to Section 6.01.

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

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

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

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

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

"Investment Fund" shall mean [Name], a [Entity type].

"Lender Financing" shall mean funds borrowed by Developer, as applicable, from lenders and irrevocably available to pay for Redevelopment Project Costs, in the amount set forth in Section 4.01 hereof, including, without limitation, the NMTC Loan and the Senior Loan.

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

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

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

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

"Net NMTC Equity" shall have the meaning set forth in Section 4.01 hereof.

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

"NMTC" shall mean the Federal New Markets Tax Credits.

"NMTC Compliance Period" shall mean the earlier of (a) the seventh (7th) anniversary of the closing date of the NMTC Loan or (b) the termination or repayment of the NMTC Loan.
"NMTC Lender" shall mean a to be determined lender chosen by the Developer.

"NMTC Loan" shall mean those certain loans made by the NMTC Lender to Developer for the Project.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Senior Lender" shall mean Illinois Facilities Fund.

"Senior Loan" shall mean the approximately $2,001,189 permanent loan by Illinois Facilities Fund to Developer.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/NSPS Land Title Surveys survey of the Property, meeting the 2016 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2016, dated within 75 days prior to
the Closing Date, acceptable in form and content to the City and the Title Company, prepared by
a surveyor registered in the State of Illinois, certified to the City and the Title Company, and
indicating whether the Property is in a flood hazard area as identified by the United States Federal
Emergency Management Agency (and updates thereof to reflect improvements to the Property in
connection with the construction of the Theater and related improvements as required by the City
or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date
and ending on the tenth anniversary of the issuance of the Certificate.

"TIF District Administration Fee" shall mean the fee described in Section 4.05 hereof.

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

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

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

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

"Title Company" shall mean Chicago Title Insurance Company.

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

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, Developer shall, pursuant to the Plans and
Specifications and subject to the provisions of Section 18.16 hereof: (i) commence construction
no later than ninety (90) days after execution of this Agreement; and (ii) complete construction
and receive the Certificate within two years of the Closing Date. The Parties acknowledge that
execution of this Agreement has occurred within two hundred and seventy (270) days of City
Council authorization.
3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Twenty Eight Million Seven Hundred Fifty Six Thousand One Hundred Eighty Nine Dollars and No/100 ($28,756,189.00). Developer hereby certifies to the City that the City Funds, together with Lender Financing, Equity, and New Market Tax Credits, described in Section 4.02 hereof, shall be sufficient to complete the Project. Developer hereby certifies to the City that (a) it has Lender Financing, Equity, New Market Tax Credits, and City Funds in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

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

3.05 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.
3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

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

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Developer's architect) approved by DPD may be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder.

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

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

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

3.12 Permit Fees. In connection with the Project, Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.
SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be $28,756,189 to be applied in the manner set forth in the Project Budget (the "Total Project Cost"). Such costs may be funded through a NMTC financing structure, in part, from the following sources:

<table>
<thead>
<tr>
<th>Source of City Funds</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity (subject to Sections 4.03(b) and 4.06)</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Lender Financing</td>
<td>$2,001,189</td>
</tr>
<tr>
<td>City Funds</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>New Market Tax Credits</td>
<td>$1,755,000</td>
</tr>
<tr>
<td>IL State Funding</td>
<td>$18,000,000</td>
</tr>
<tr>
<td><strong>ESTIMATED TOTAL</strong></td>
<td><strong>$28,756,189</strong></td>
</tr>
</tbody>
</table>

4.02 Developer Funds. Equity, Lender Financing, New Market Tax Credits, and City Funds shall be used directly or indirectly through a NMTC financing structure to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements incurred by Developer that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to Developer hereunder prior to the issuance of a Certificate.

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

<table>
<thead>
<tr>
<th>Source of City Funds</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental Taxes</td>
<td>$6,000,000</td>
</tr>
</tbody>
</table>

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of Six Million Dollars ($6,000,000) or twenty and nine tenths' percent (20.9%) of the actual total Project costs; and provided further, that the $6,000,000 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose. The City Funds shall be paid to Developer upon the issuance of the Certificate of Completion.
City Funds derived from Incremental Taxes shall be available to pay such costs and allocated for such purposes only so long as the amount of the Incremental Taxes is sufficient to pay for such costs.

The Developer acknowledges and agrees that the City's obligation to pay any City Funds is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above, as well as the prior issuance of the Certificate and the Developer's satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in Section 8.06.

(c) Reduction in City Funds. City Funds may be reduced if the final Total Project Cost falls below $28,756,189.00 and the City Funds will be reduced by $1.00 for every $1.00 shortfall.

4.04 Requisition Form. Prior to the request for reimbursement, Developer shall provide DPD with a Requisition Form as provided Exhibit L, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DPD).

Developer has provided DPD with a copy of the Escrow Agreement, if any and will provide DPD copies of disbursement requests pursuant to it upon written request.

4.05 TIF District Administration Fee. Annually, the City may allocate an amount not to exceed five percent (5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

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

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

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

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

(c) Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;
(d) the representations and warranties contained in this Redevelopment Agreement are true and correct and Developer is in compliance with all covenants contained herein;

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

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

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

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement 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 but not limited to requirements set forth in the TIF Ordinances, this Agreement, the CDBG Agreement and the Escrow Agreement.

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

SECTION 5. CONDITIONS PRECEDENT

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

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

5.02 Scope Drawings and Plans and Specifications. Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.02 hereof.
5.03 Other Governmental Approvals. Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD.

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

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

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

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Searches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary of State</td>
<td>UCC, Federal tax</td>
</tr>
<tr>
<td>Cook County Recorder</td>
<td>UCC, Fixtures, Federal tax, State tax, Memoranda of judgments</td>
</tr>
<tr>
<td>U.S. District Court</td>
<td>Pending suits and judgments</td>
</tr>
<tr>
<td>Clerk of Circuit Court, Cook County</td>
<td>Pending suits and judgments</td>
</tr>
</tbody>
</table>

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

5.08 Insurance. Developer, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.
5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as required by or acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in Exhibit J hereto, such opinions were obtained by Developer from its general corporate counsel.

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

5.11 Financial Statements. Developer has provided Financial Statements to DPD for the last three most recent fiscal years and audited or unaudited interim financial statements.

5.12 Documentation; Employment Plan. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07. At least thirty (30) days prior to the Closing Date, the Developer has met with the Workforce Solutions division of DPD to review employment opportunities with the Developer after construction or rehabilitation work on the Project is completed. On or before the Closing Date, Developer has provided to DPD, and DPD has approved, the Employment Plan for the Project (the "Employment Plan"). The Employment Plan includes, without limitation, the Developer's estimates of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as DPD has requested relating to the Project.

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

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its Articles or Certificate of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; its by-laws; and such other corporate documentation as the City has requested.

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

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

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

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

6.02 Construction Contract. Prior to the execution thereof, Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.
6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit N hereto. The City shall be named as obligee or co-obligee on any such bonds.

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

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

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

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

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

- Evidence acceptable to DPD that the Total Project Cost is equal to, or in excess of, $28,756,189.00 as described in Section 4.03(c), the City Funds will be reduced on a dollar for dollar basis if the Total Project Cost is less than $28,756,189.00; and

- Evidence that Developer has incurred TIF-eligible expenses in an amount equal to, or greater than, the total amount of City Funds for the Project (up to $5,000,000); and

- Receipt of a Certificate of Occupancy for the Project or other evidence acceptable to DPD that the developer has complied with building permit requirements for the Project; and

- The Theater is occupied and open for business, as demonstrated by issuance of a Certificate of Occupancy for the Theater and commencement of ticket sales for a scheduled event at the Theater; and
Evidence acceptable to DPD in the form of a closeout letter from DPD's Compliance and Monitoring division stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage), and

Evidence acceptable to DPD that the Project has complied with the Chicago Sustainable Development Policy.

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

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

7.03 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, including the covenant to complete the Project and to obtain the Certificate within two years of the Closing Date, as described in Section 3.1, then the City has, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and any other agreements to which the City and Developer are parties; and

(b) the right to cease all disbursement of City Funds not yet disbursed pursuant hereto and the right to seek reimbursement from Developer for City Funds paid to Developer.

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

8.01 General. Developer 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 its state of incorporation and in Illinois, and licensed to do business in
any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

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

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

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

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

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

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

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

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

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

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

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

(n) Developer understands that (i) the City Funds are limited obligations of the City,
payable solely from moneys on deposit in the 43rd Street/Cottage Grove Avenue Account of the
TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any
constitutional or statutory provision or limitation; (iii) Developer will have no right to compel
the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds
do not and will not represent or constitute a general obligation or a pledge of the faith and credit of
the City, the State of Illinois or any political subdivision thereof;

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

(p) Developer understands it may not sell, assign, pledge or otherwise transfer its interest
in this Agreement or City Funds in whole or in part except in connection with the Lender Financing,
the enforcement thereof, or accordance with the terms of Section 16 of this Agreement, and, to
the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages
or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(q) Subsequent to the issuance of the Certificate, Developer shall not obligate the City to pay incremental taxes to any transferee other than the Developer or a wholly owned affiliate thereof, without prior written consent of the City; and

(r) The covenants listed in Section 8.01 (f), shall not apply to a transfer of ownership interest from Developer to one of Developer's subsidiaries or affiliates through a quitclaim deed; and

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

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

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

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

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any additional bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "Bonds"); provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.
8.06 Job Creation Goals and Retention; Occupancy Covenant, Operations Covenant; Covenant to Remain in the City. (a) Developer will aspire to hire between fifteen (15) and twenty (20) full-time equivalent, permanent jobs and between eighty (80) and one hundred (100) temporary full-time equivalent, construction related jobs at the Project. Developer’s failure to reach the afore-stated goals will not constitute an Event of Default.

(b) The Developer shall use good faith efforts to maintain an average of at least two performances per week in the Theater space during the first year of the Compliance Period and shall be obligated to maintain an average of at least two performances per week in the Theater space during each one-year anniversary period from the issuance of the Certificate for years two through ten of the Compliance Period. During the Compliance Period, Developer shall be entitled to two (2) nonconsecutive one-year cure periods arising from a breach of the occupancy covenant listed in this Section 8.06 (b), and each such one-year period, shall be recognized as a (“Cure Period”). During the Cure Period, DPD will not be required to make a payment of City Funds. Once cured, any default year by Developer shall not count towards the required term of the Compliance Period or any other obligation of the Developer under this Agreement. If two defaults have occurred and both have been independently cured, then, any subsequent default shall constitute an Event of Default without notice or opportunity to cure.

(c) Developer hereby covenants and agrees to maintain its operations within the City of Chicago at the site described above during the term of this Agreement.

(d) Developer covenants and agrees to operate the entire Project as a performing arts theater complex for the duration of the Compliance Period, with the exception of recognized holidays or other closures due in the normal course of business. Any breach of the operations covenant shall be an immediate Event of Default with no opportunity to cure. The operations covenant set forth in this Section 8.06(d) shall run with the land and be binding upon any permitted transferee, if any.

During the Compliance Period, the Developer shall, at the time of filing the Annual Compliance Report, provide DPD with a notarized affidavit certifying to its compliance with this Section 8.06 for the 12 month period ending the day prior to the date of such filing date of such certificate. The Annual Compliance Report shall include a jobs report in which Developer shall provide the following information for each employee of the Project: (i) employee status as full time or part time, (ii) zip code of their primary residence, (iii) total employment tenure in months, (iv) and wages above or below the Living Wage rate as defined for that year by the City.

8.07 Employment Opportunity. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer shall correct any shortfall.
8.08 **Employment Profile.** Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

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

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

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

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

8.13 **Financial Statements.** Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ending in 2022 and each year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited Financial Statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

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

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

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

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

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

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

8.18 **Recording and Filing.** Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.
8.19 Real Estate Provisions.

(a) Governmental Charges.

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

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

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

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

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.
8.20 Annual Report(s) Beginning with the issuance of the Certificate and continuing throughout the Compliance Period, Developer shall submit to DPD the Annual Compliance Report within sixty (60) days after each anniversary of the issuance of the Certificate.

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

8.22 Chicago Sustainable Development Policy. Developer shall provide evidence acceptable to the City that it has complied with the Chicago Sustainable Development Policy for the Project.

8.23 FOIA and Local Records Act Compliance.

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

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

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

(a) Except in connection with a financing related to the end of NMTC Compliance Period of the Project, if the sale, transfer or refinancing of the Project or any part thereof occurs during the period beginning at the execution of this Agreement until the tenth anniversary of the issuance of Certificate (each happening being a "Capital Event"), the Developer agrees to pay and remit to the City from the net proceeds of any such sale, transfer or refinancing (the "Excess Proceeds") on the closing date of such sale or transfer an amount equal to (100%) of the total amount of City Funds paid to Developer as of the closing date of such transaction.

(b) Any recaptured City Funds received by the City shall be deposited into a separate account within the TIF Fund and shall be used for Redevelopment Project Costs.

(c) Any City Funds subject to recapture that become due and owing to the City pursuant to Section 8.24(a) due to the occurrence of a Capital Event shall be paid by Developer on the closing date of such Capital Event.

(d) This Section 8.24 shall be in effect until a Capital Event in which Developer is no longer in control of the entire Project. With respect to Capital Event of less than the entire Project, such successor shall not have any obligations or liabilities under this Section 8.24 provided the Developer shall continue to have obligations under this Section 8.24 with respect to the portion of the Project that was not subject to the Capital Event.

(e) This section shall not apply to any refinancing of the Project provided that no funds are disbursed to the Developer.

(f) The Commissioner of DPD shall have discretion to consent to a waiver of the preceding requirement in Section 8.24(a) if the Excess Proceeds from such a Capital Event are used for the development of a future phase of the Project in the Redevelopment Area, which consent shall be in the Commissioner’s sole discretion.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.
SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City’s Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1983), and any subsequent amendments and regulations promulgated thereto.

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

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.
(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof.

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

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

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

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

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

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

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

Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.
When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.005) of the aggregate hard construction costs set forth in the Project budget (the product of .005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainerage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

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

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

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

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

1. At least 26 percent by MBEs.
2. At least six percent by WBEs.

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

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

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

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

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

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

SECTION 12. INSURANCE

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than $2,000,000 per occurrence and $8,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk/Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

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

(d) **Other Requirements:**

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

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

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit Developer’s liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self-insurance programs maintained by the City of Chicago do not contribute with insurance provided by Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All
Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such 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 in any manner relating or arising out of:

(i) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, including, be not limited to Section 8.27; or

(ii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

(iv) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.
SECTION 14. MAINTAINING RECORDS/DIRECT TO INSPECT

14.01 Books and Records. Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by Developer hereunder:

(a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;

(b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such
proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) the entry of any judgment or order against Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) the occurrence of default under the Lender Financing, which default is not cured within any applicable cure period and with respect to which the applicable lender delivers written notice of its intent to foreclose its mortgage, unless such Lender gives written notice to the City that such lender (or is successors, assigns or designees) shall, upon taking possession of the Property, accept the obligations and liabilities of "Developer" under this Agreement as set forth in Section 16 below;

(i) the dissolution of Developer or the death of any natural person who owns a material interest in Developer;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor);

(k) Notwithstanding the representations contained in Section 8.01(s), prior to the issuance of the Certificate, the sale or transfer of all of the ownership interests of Developer without the prior written consent of the City;

(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; or

(m) the failure of Developer to obtain the Certificate for the Project by the second anniversary of the Closing Date, which shall be without notice or opportunity to cure; or

(n) the failure of Developer to submit the Annual Compliance Report within 60 days of each anniversary of the issuance of the Certificate, which shall be without an opportunity to cure.

For purposes of Sections 15.01(j) and 15.01(l) hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of Developer's membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties,
suspend disbursement of City Funds, and seek reimbursement of any City Funds from Developer. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages from Developer, injunctive relief or the specific performance of the agreements contained herein.

Upon the occurrence of an Event of Default because of failure to comply with Section 8.22, Chicago Sustainable Development Policy, the City's remedy shall be the right to reduce the amount of City Funds by $250,000.

Upon the occurrence of an Event of Default under Section 15.01(m), Developer shall be obligated to pay $10,000 to the City for each Event of Default, as liquidated damages.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that there shall be no cure period under this Section 15.03 with respect to Developer's failure to comply with the operation requirements of Section 8.06 (d) hereof. In addition, there shall be no opportunity to cure for an event of default pursuant to Section 8.01(f) and 8.02 of this Agreement.

15.04 Lender Notice and Cure Right. To the extent that Lender Financing is derived from a tax credit investment, including but not limited to the New Markets Tax Credit, in the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to each of the lenders providing the Lender Financing, and each of the lenders providing the Lender Financing shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, any party entitled to cure such default may cure it within 30 days the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; and

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; provided, however, that if such non-monetary default is not reasonably capable of being cured by the lenders within such 30-day period, such period shall be extended for such reasonable period of time as may be necessary to cure such default, provided that the party seeking such cure must continue diligently
to pursue such cure and, if possession of the Project is necessary to effect such cure, the party seeking such cure must have instituted appropriate legal proceedings to obtain possession to the extent such party has the right to do so.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, including, but not limited to the NMTC Loan and the Senior Loan) 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 permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City and any Existing Mortgage is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee or designee thereof or foreclosure purchaser shall succeed to Developer's interest in the Property or any portion thereof or otherwise succeed to Developer's interest in the collateral provided for such loan pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer"; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage or designee thereof or foreclosure purchaser does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.
Prior to the issuance by the City to Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified mail, return receipt requested.

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<tr>
<td>City of Chicago</td>
<td>Lillian Marcie Legacy Co.</td>
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<tr>
<td>Department of Planning and Development</td>
<td>4341 S. Cottage Grove</td>
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<td>121 North LaSalle Street, Room 1000</td>
<td>Chicago, IL 60653</td>
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<td>Chicago, Illinois 60602</td>
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<td>City of Chicago</td>
<td>Acosta Ezgur, LLC</td>
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<tr>
<td>Department of Law</td>
<td>1030 W. Chicago Ave., 3rd Fl</td>
</tr>
<tr>
<td>121 North LaSalle Street, Room 600</td>
<td>Chicago, Illinois 60642</td>
</tr>
<tr>
<td>Chicago, Illinois 60602</td>
<td>Attention: Rolando R. Acosta</td>
</tr>
<tr>
<td>Attention: Finance and Economic Development Division</td>
<td>Email: <a href="mailto:rolando@acostaezgur.com">rolando@acostaezgur.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>If to NMTC Lender:</th>
<th>[To be inserted at Closing]</th>
</tr>
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<tbody>
<tr>
<td>And</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>Chicago, Illinois 606[]</td>
<td></td>
</tr>
<tr>
<td>Attention:</td>
<td></td>
</tr>
<tr>
<td>Facsimile:</td>
<td></td>
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<td>Email:</td>
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</tr>
</tbody>
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<table>
<thead>
<tr>
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</thead>
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<td></td>
</tr>
<tr>
<td>Facsimile:</td>
<td></td>
</tr>
</tbody>
</table>
SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "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 one hundred eighty (180) days.

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.
18.05 Waiver. Waiver by the City or Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18.08 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

18.09 Severability. If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

18.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

18.12 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 Assignment. Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 Real
Estate Provisions and 8.23 (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City’s sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 **Binding Effect.** This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.16 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 **Business Economic Support Act.** Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.18 **Venue and Consent to Jurisdiction.** If there is a lawsuit under this Agreement, each party may hereof agree to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

18.19 **Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.20 **Business Relationships.** Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands
that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code) (a "Financial Interest"), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

LILLIAN MARCIE LEGACY CO.

By: ____________________________
    Harry Lennix Jr.

Its: President

CITY OF CHICAGO

By: ____________________________
    Maurice D. Cox,
    Commissioner
    Department of Planning and Development
State of Illinois )
                     ) SS.
County of Cook )

I, __________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Harry Lennix, Jr., personally known to me to be the President of Lillian Marcie Legacy Co., 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 the Board of Directors of 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 _____ day of _____________, ____. 

________________________________
Notary Public

My Commission Expires _________

(SEAL)

State of Illinois )
                     ) SS.
County of Cook )

I, __________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Maurice D. Cox, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____________, ____. 

________________________________
Notary Public

My Commission Expires _________

(SEAL)
(Sub)Exhibits "D", "I" and "K" referred to in this Lillian Marcie Legacy Company Redevelopment Agreement intentionally omitted.)

(Sub)Exhibits "A", "E", "F" and "N" referred to in this Lillian Marcie Legacy Company Redevelopment Agreement unavailable at time of printing.)

(Sub)Exhibits "B", "C", "G", "H-1", "H-2", "J", "L" and "M" referred to in this Lillian Marcie Legacy Company Redevelopment Agreement read as follows:

(Sub)Exhibit "B".
(To Lillian Marcie Legacy Company Redevelopment Agreement)

Property (subject to survey and title insurance):

Lots 17 and 18 in Tyler's Subdivision of Block 2 of Walker and Stinson's Subdivision of the west half of the southwest quarter of Section 2, all in Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Property Address:

4341 -- 4343 South Cottage Grove Avenue
Chicago, Illinois 60653.

Permanent Index Numbers:

20-02-300-012-0000; and
20-02-300-013-0000.
(Sub)Exhibit "C".
(To Lillian Marcie Legacy Company Redevelopment Agreement)

**TIF-Funded Improvements.**

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<tr>
<th></th>
<th>Project Budget</th>
<th>TIF - Eligible Budget</th>
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<tbody>
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<td>$ 750,000</td>
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<tr>
<td><strong>Hard Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sitework / Demolition</td>
<td>$ 742,576</td>
<td>$ 742,576</td>
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<tr>
<td>Site Utilities</td>
<td>$ 251,160</td>
<td>-</td>
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<tr>
<td>Environmental</td>
<td>$ 50,000</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>Structure</td>
<td>$ 3,722,998</td>
<td>$ 3,522,998</td>
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<tr>
<td>Thermal &amp; Moisture Protection</td>
<td>$ 909,658</td>
<td>$ 909,658</td>
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<tr>
<td>Ceiling &amp; Acoustics</td>
<td>$ 1,128,250</td>
<td>$ 1,128,250</td>
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<tr>
<td>Openings</td>
<td>$ 774,972</td>
<td>$ 774,972</td>
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<tr>
<td>Finishes</td>
<td>$ 1,488,000</td>
<td>$ 1,488,000</td>
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<tr>
<td>Specialties</td>
<td>$ 106,210</td>
<td>-</td>
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<tr>
<td>Conveying Systems</td>
<td>$ 460,000</td>
<td>$ 460,000</td>
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<tr>
<td>Fire Protection</td>
<td>$ 430,000</td>
<td>$ 430,000</td>
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<tr>
<td>MEP</td>
<td>$ 5,510,431</td>
<td>$ 5,110,431</td>
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<tr>
<td>Signage</td>
<td>$ 432,100</td>
<td>-</td>
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<tr>
<td>General conditions, insurance, fees</td>
<td>$ 2,038,282</td>
<td>$ 2,038,282</td>
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<tr>
<td>Allowance</td>
<td>$ 1,299,992</td>
<td>-</td>
</tr>
<tr>
<td>FF&amp;E</td>
<td>$ 2,898,316</td>
<td>-</td>
</tr>
<tr>
<td>Hard Cost Contingency</td>
<td>$ 1,100,995</td>
<td>-</td>
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<tr>
<td><strong>Total Hard Costs</strong></td>
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<td>$17,405,167</td>
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<td><strong>Soft Costs/Fees</strong></td>
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<tr>
<td>Architect/Engineering</td>
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<td>$ 732,465</td>
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<tr>
<td>Material Testing</td>
<td>$ 129,500</td>
<td>-</td>
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<tr>
<td>Legal</td>
<td>$ 261,000</td>
<td>-</td>
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<tr>
<td>Owner's Rep</td>
<td>$ 90,000</td>
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<td>Property Taxes</td>
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<td>Closing Costs</td>
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<tr>
<td>Due Diligence</td>
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<td>Lender Fees</td>
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<tr>
<td>Fundraising Consultant</td>
<td>$ 265,970</td>
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<tr>
<td>NMTC Consultant</td>
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<tr>
<td>Construction Management</td>
<td>$ 180,000</td>
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<td></td>
<td>$874,550</td>
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<tr>
<td>Contingency</td>
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<tr>
<td><strong>Total Soft Costs</strong></td>
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<td><strong>$792,465</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$28,756,189</strong></td>
<td><strong>$18,197,632</strong></td>
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</tbody>
</table>

Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed the lesser of $6,000,000 or 20.9% of the Project Budget.
(Sub)Exhibit "G".
(To Lillian Marcie Legacy Company Redevelopment Agreement)

Permitted Liens.

1. Liens Or Encumbrances Against The Property:

Those matters set forth as Schedule B title exceptions in the owner’s title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any, provided, however, that Developer is providing a lien against its assets to Senior Lender as collateral for the Senior Loan.
**(Sub)Exhibit "H-1".**
(To Lillian Marcie Legacy Company Redevelopment Agreement)

**Project Budget.**

<table>
<thead>
<tr>
<th>USES OF FUNDS</th>
<th>Project Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$ 750,000</td>
</tr>
<tr>
<td><strong>Hard Costs</strong></td>
<td></td>
</tr>
<tr>
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<td>$ 1,128,250</td>
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<td>Openings</td>
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<td>Finishes</td>
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<td>Signage</td>
<td>$ 432,100</td>
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<td>General conditions, insurance, fees</td>
<td>$ 2,038,282</td>
</tr>
<tr>
<td>Allowance</td>
<td>$ 1,299,992</td>
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<tr>
<td>FF&amp;E</td>
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<tr>
<td>Hard Cost Contingency</td>
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<tr>
<td><strong>Total Hard Costs</strong></td>
<td><strong>$22,943,940</strong></td>
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<tr>
<td><strong>Soft Costs/Fees</strong></td>
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<td>Architect/Engineering</td>
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<td>$ 9,230</td>
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<td>Due Diligence</td>
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<td>NMTC Consultant</td>
<td>$ 415,000</td>
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<td>Construction Management</td>
<td>$ 180,000</td>
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<td>Interest Reserve</td>
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</tr>
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<td>Developer Overhead</td>
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<td>Operating Reserve</td>
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<td>Insurance</td>
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<td>Amount</td>
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</tr>
<tr>
<td>Contingency</td>
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<tr>
<td>Total Soft Costs</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 28,756,189</strong></td>
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**SOURCES OF FUNDS**

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<tr>
<th>Source</th>
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<tr>
<td>Equity</td>
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<tr>
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<td>TIF</td>
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<td>New Market Tax Credits</td>
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<td>IL State Funding</td>
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<td><strong>TOTAL:</strong></td>
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</tr>
</tbody>
</table>
(Sub)Exhibit "H-2".
(To Lillian Marcie Legacy Company Redevelopment Agreement)

**MBE/WBE Budget.**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>MBE/WBE Hard Costs</td>
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<tr>
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<td>MBE 26 percent</td>
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<tr>
<td>WBE 6 percent</td>
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</tbody>
</table>

(Sub)Exhibit "J".
(To Lillian Marcie Legacy Company Redevelopment Agreement)

**Opinion Of Developer's Counsel.**

[To Be Retyped On Developer’s Counsel’s Letterhead]

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Lillian Marcie Legacy Company, an Illinois not-for-profit corporation (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the 43rd Street/Cottage Grove Avenue Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the “Documents”:

(a) Lillian Marcie Legacy Company Redevelopment Agreement (the “Agreement”) of even date herewith, executed by Developer and the City of Chicago (the "City");

(b) the Escrow Agreement of even date herewith executed by Developer;
(c) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and

(d) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined:

(a) the original or certified, conformed or photostatic copies of Developer's: (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, (iii) Bylaws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if Developer is not a corporation]; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign [corporation] [entity] under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's [Articles of Incorporation or Bylaws] [describe any formation documents if Developer is not a corporation] or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will
not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of Developer.

4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. (Sub)Exhibit A attached hereto: (a) identifies each class of capital stock of Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on (Sub)Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of Developer. Each outstanding share of the capital stock of Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by Developer or any other party under any material contract, lease, agreement, instrument or commitment to which Developer is a party or by which the company or its properties is bound.
8. To the best of our knowledge after diligent inquiry, all of the assets of Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

[Note: include a reference to the laws of the state of incorporation/organization of Developer, if other than Illinois.]

This opinion is issued at Developer’s request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

_____________________________________

By: ________________________________

Name: ______________________________

[(Sub)Exhibit "A" referred to in this Opinion of Developer’s Counsel unavailable at time of printing.]
The affiant, Lillian Marcie Legacy Company, an Illinois not-for-profit (the "Developer"), hereby certifies that with respect to that certain Lillian Marcie Legacy Company Redevelopment Agreement between Developer and the City of Chicago dated ________________, ____ (the "Agreement"):

A. Expenditures for the Project, in the total amount of $__________, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date.

$__________

C. Developer requests reimbursement for the following cost of TIF-Funded Improvements:

$__________

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and Developer (as defined in the Agreement) is in compliance with all applicable covenants contained herein.

2. No Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.
All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

Lillian Marcie Legacy Company

By: ____________________________
   Name

Title: ____________________________

Subscribed and sworn before me this
____ day of ____________ ______.

_____________________________
My commission expires: ____________

(Sub)Exhibit "M".
(To Lillian Marcie Legacy Company Redevelopment Agreement)

Form Of Subordination Agreement.

This Subordination Agreement ("Agreement") is made and entered into as of the day of _______________, 2023 between the City of Chicago, a municipal corporation by and through its Department of Planning and Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

Witnesseth:

Whereas, Lillian Marcie Legacy Company, an Illinois not-for-profit corporation (the "Developer"), has acquired (the "Acquisition") certain property located within the Redevelopment Area at 4341 -- 4343 South Cottage Grove Avenue, Chicago, Illinois 60653, and legally described on (Sub)Exhibit B hereto (the "Property") and, within the time frames set forth in Section 3.01 hereof, shall commence and complete redevelopment of the property into a 11,590-square-foot performing arts theater containing an approximately 340-seat main stage, an approximately smaller 87-seat boutique theater, rehearsal space, a lounge area and a roof-top deck (the "Theater"). The construction of the Theater is referred to herein as the "Project"; and
Whereas, [Describe Financing and Security Documents] (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents"); and

Whereas, Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement", referred to herein along with various other agreements and documents related thereto as the "City Agreements"); and

Whereas, Pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02, 8.06(d) and 8.19 of the Redevelopment Agreement (the "City Encumbrances"); and

Whereas, The City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to (a) the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances;

Now, Therefore, For good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein.

2. Notice Of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.
4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

If To The City:
City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: Commissioner

with copies to:

City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

If To Developer:
Lillian Marcie Legacy Company
4341 South Cottage Grove Avenue
Chicago, Illinois 60653
Attention: __________________________
Facsimile: __________________________
Email: __________________________

with copies to:

Name: __________________________
Address: __________________________
Chicago, Illinois 606__
Attention: __________________________
Facsimile: __________________________
Email: __________________________
or to such other address as either party may designate for itself by notice. Notice shall be
deemed to have been duly given: (i) if delivered personally or otherwise actually received,
(ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail,
postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by
facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States
mail as provided above). Notice mailed as provided in clause (iii) above shall be effective
upon the expiration of three (3) business days after its deposit in the United States mail.
Notice given in any other manner described in this paragraph shall be effective upon
receipt by the addressee thereof; provided, however, that if any notice is tendered to an
addressee and delivery thereof is refused by such addressee, such notice shall be
effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each
of which shall constitute an original and all of which, when taken together, shall constitute
one instrument.

In Witness Whereof, This Subordination Agreement has been signed as of the date first
written above.

[Lender], [a national banking association]

By: __________________________

Its: __________________________

City of Chicago

By: __________________________

Its: Commissioner, Department of
Planning and Development

Acknowledged and agreed to this
_____ day of ________________, ____.

[Developer], a ______________________

By: __________________________

Its: __________________________
[(Sub)Exhibit "B" referred to in this Form of Subordination Agreement unavailable at time of printing.]

State of Illinois  
) SS.
County of Cook  

I, the undersigned, a notary public in and for the County and State aforesaid, do hereby certify that Maurice D. Cox, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ___ day of ____________, 2023.

______________________
Notary Public

My commission expires: __________

[Seal]

State of Illinois  
) SS.
County of Cook  

I, ____________________, a notary public in and for the said County, in the State aforesaid, do hereby certify that ____________________, personally known to me to be the ______________ of [Lender], a ________________, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.
REDEVELOPMENT AGREEMENT WITH AND PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO TEAM PIONEROS LLC FOR REHABILITATION OF FORMER PIONEER BANK AT 4000 -- 4008 W. NORTH AVE. [O2023-1339]

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance concerning the authority to enter into and execute a redevelopment agreement with Team Pioneros LLC, for the provision of Tax Increment Financing (TIF) funds for development at 4000 West North Avenue, located in the 26th Ward (O2023-1339), in the amount of $13,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK, Chairman.
On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on June 9, 1999 and published at pages 3704 to 3851 of the Journal of the Proceedings of the City Council of the City of Chicago (the "Journal") of such date, a certain redevelopment plan and project (the "Plan") for the Pulaski Corridor Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"), and was amended by a first amendment on October 3, 2012 and published at pages 33746 to 33748 of the Journal of such date, by a second amendment on July 30, 2014 and published at pages 84883 to 84886 of the Journal of such date, and a third amendment on December 14, 2022; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 9, 1999 and published at pages 3851 to 3868 of the Journal of such date, the Area was designated as a redevelopment project area pursuant to the Act, as amended on December 14, 2022; and

WHEREAS, Pursuant to an ordinance (the "TIF Ordinance") adopted by the City Council on June 9, 1999 and published at pages 3868 to 3885 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan, as amended on December 14, 2022; and

WHEREAS, Team Pioneros LLC, an Illinois limited liability company ("Developer"), owns property within the Redevelopment Area at 4000 -- 4008 West North Avenue, Chicago, Illinois 60639 (the "Site") located within the Area and shall complete rehabilitation of the former Pioneer Bank building and an adjacent annex on the Site (the "Facility"); and
WHEREAS, The Facility will include an architectural firm, office space for neighborhood non-profits with a focus on workforce management and community business incubator, commercial office space and special event space for community public events ("Project"); and

WHEREAS, The Developer has proposed to undertake the redevelopment of the Site in accordance with the Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, including but not limited to rehabilitation of the facilities and to be financed in part by Incremental Taxes from the Area; and

WHEREAS, Pursuant to Resolution 22-CDC-65 adopted by the Community Development Commission of the City of Chicago (the "Commission") on December 13, 2022, the Commission recommended that the Developer be designated as the developer for the Project and that City’s Department of Planning and Development ("DPD") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of DPD (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City’s Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 4. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 5. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. This ordinance shall take effect upon its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:
Exhibit "A".
(To Ordinance)

Team Pioneros LLC Redevelopment Agreement.

This Team Pioneros, LLC Redevelopment Agreement (this "Agreement") is made as of this ______ day of _________, 2023, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Team Pioneros, LLC, an Illinois limited liability company (the "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, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

City Council Authority To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on June 9, 1999 and published in the Journal of Proceedings of the City Council ("Journal") for said date at pages 3704 to 3885 inclusive: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Pulaski Corridor Redevelopment Project Area" (the "Redevelopment Plan Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois Designating the Pulaski Corridor 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 Pulaski Corridor Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above, as subsequently amended by ordinances adopted by City Council, is legally described in Exhibit A hereto (the "Redevelopment Area").
C. **The Property.** The development site is located in the Redevelopment Area at 4000-4008 West North Avenue, Chicago, Illinois, and is legally described in Exhibit B (the "Property").

D. **The Project.** The Developer, as owner of the Property, intends to redevelop the approximately 50,000 square foot former Pioneer Bank building, located generally at 4000 W. North Avenue ("Bank Space"), into a mix of office and business incubator space. It is anticipated that Moreno Architects Ltd. d/b/a JGMA ("JGMA"), an affiliate, will house its corporate headquarters in the Bank Space. It is also anticipated that portions of the Bank Space will be leased to other community-based development partners who will utilize their space for corporate office space and sublet to and manage not-for-profit entities focusing on workforce management and community business incubator. A portion of the first floor Bank Space will be open and accessible to local community organizations for special events. The approximately 10,000 square foot adjacent two-story former Pioneer Bank annex building, located generally at 4008 W. North Avenue (the "Annex Space"), will be redeveloped into commercial space for future tenants. The rehabilitated Bank Space and Annex Space together constitute the "Facility." The Facility and related on-site improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) and adjacent improvements in the public right of way, if any, are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. In addition to completing the Project, the Developer anticipates creating a total of fifty (50) new full-time-equivalent employees ("FTEs") as well as three hundred fifty (350) temporary FTE construction-related positions.

E. **Redevelopment Plan.** The City of Chicago Pulaski Corridor Tax Increment Financing Redevelopment Area Project and Plan (the "Original Redevelopment Plan") included in the TIF-Adoption Ordinance has been amended by ordinances adopted on October 3, 2012 (the "First Amendment"), July 30, 2014 (the "Second Amendment") and December 14, 2022 (the "Third Amendment"). The Original Redevelopment Plan, as amended by the First Amendment, the Second Amendment, and Third Amendment, is herein referred to as the "Redevelopment Plan." The Project will be carried out in accordance with this Agreement and the Redevelopment Plan.

F. **City Financing.** The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below) to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.
G. Authority for City to Execute Agreement. The City is authorized to execute and deliver the Agreement pursuant to that certain ordinance adopted by the City Council on __________, 2023, and published in the Journal for said date at pages _____ to _____, inclusive (the “Agreement Authorizing Ordinance”)

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

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SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"Act" shall have the meaning set forth in the Recitals hereof.
“Actual Residents of the City” shall have the meaning set forth in Section 10.02 hereof.

“Affiliate” shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

“Agreement Authorizing Ordinance” shall have the meaning set forth in the Recitals hereof.

“Annual Compliance Report” shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under this 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 with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements. The obligations to be covered by the Annual Compliance Report shall include, but not be limited to, the following: (1) compliance with the TIF Recapture Covenant (Section 8.05); (2) compliance with the Operating Covenant, Occupancy Covenant, Job Creation Goals (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) delivery of the Data Sharing Form; (7) Compliance with the City’s Sustainable Development Policy (Section 8.23); and (8) compliance with all other executory provisions of the RDA.

“Available Project Funds” shall mean: (1) the undisbursed Lender Financing, if any; (2) the undisbursed Equity and (3) any other amounts deposited by Developer pursuant to this Agreement.

“Capital Event” shall have the meaning set forth in Section 8.05(b) hereof.

“Certificate of Completion” shall mean the Certificate of Completion of Construction described in Section 7.01 hereof.

“Change Order” shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

“Chicago Sustainable Development Policy” shall mean the sustainable standards provided by the City in the Chicago Sustainable Development Policy Handbook.

“City Contract” shall have the meaning set forth in Section 8.01(1) hereof.

“City Council” shall have the meaning set forth in the Recitals hereof.

“City Fee” shall mean the fee described in Section 4.05(b) hereof.

“City Funds” shall mean the funds paid to the Developer pursuant to Section 4.03(b) hereof, as the same may be reduced or terminated pursuant to this Agreement and shall not be in excess of the Maximum TIF Assistance.

“Closing Date” shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this
Agreement and which shall occur no later than 180 days after the adoption date of the Agreement Authorization Ordinance, unless a longer period is approved by DPD.

"Closing Date Total Project Cost" shall have the meaning set forth in Section 3.03 hereof.

"Compliance Period" shall mean the period of time starting on the date of issuance of the Certificate of Completion, pursuant to Section 7.01 hereof, through, and including, the tenth anniversary of the date of the issuance of the Certificate of Completion.

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

"Construction Contract" shall mean that certain contract to be entered into between the Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" shall mean the City's Department of Law.

"Covenant Cure Periods" shall have the meaning set forth in Section 8.06(b) hereof.

"Data Sharing Form" shall mean a data sharing form, in a form substantially similar to Exhibit G to this Agreement, that Developer shall submit with each Annual Compliance Report that (subject to the Project tenants' willingness and agreement to provide such information) includes, but is not limited to, the following information: (1) employee status as full-time or part-time, including average hours worked; (2) the ZIP code for each employee's primary residency; (3) total employment tenure of each employee in months; (4) whether each wages were above or below the "Living Wage" rate as defined for that year; (5) the tenant roster for and the actual rental rates for the leased portions of the Bank Space and the Annex Space.

"Developer" shall mean Team Pioneros, LLC, an Illinois limited liability company, together with its permitted successors and/or assigns.

"DPD" shall mean the City's Department of Planning and Development, or any successor department thereto.

"EDS" shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

"Employer(s)" shall have the meaning set forth in Section 10 hereof.

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seg.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seg.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seg.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seg.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seg.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.
"Equity" shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available as and when required for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns).

"Event of Default" shall have the meaning set forth in Section 15 hereof.

"Financial Interest" shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

"Financial Statements" shall mean complete audited financial statements for the finances of the Project, which shall include a detailed accounting of all Operating Expenses as well as an accounting of any and all disbursements to Affiliates of the Developer, prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"FOIA" shall have the meaning set forth in Section 8.27(a) hereof.

"General Contractor" shall mean the general contractor(s) hired by the Developer pursuant to Section 6.01.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"In Balance" shall have the meaning set forth in Section 4.07(g) hereof.

"Income Taxes" shall have the meaning set forth in Section 8.05(c) hereof.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnitee" and "Indemnities" shall have the meanings set forth in Section 13.01 hereof.

"Laws" shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code relating to waste disposal.

"Lender" shall mean any provider of Lender Financing.

"Lender Financing" shall mean funds borrowed by Developer from lenders and irrevocably available to pay for costs of the Project, in the amount set forth in Section 4.01 hereof.
“Local Records Act” shall have the meaning set forth in Section 8.27(c) hereof.

“Maximum TIF Assistance” shall mean an amount no greater than $13,000,000.

“MBE(s)” shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City’s Department of Procurement Services, or otherwise certified by the City’s Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

“MBE/WBE Budget” shall mean the budget attached hereto as Exhibit E-2, as described in Section 10.03.

“MBE/WBE Program” shall have the meaning set forth in Section 10.03 hereof.

“Municipal Code” shall mean the Municipal Code of the City of Chicago, as amended from time to time.

“New Mortgage” shall have the meaning set forth in Article 16 hereof.

“Non-Governmental Charges” shall mean all non-governmental charges, liens, claims, or encumbrances relating to the Developer, the Property or the Project.

“Occupancy Covenant” shall have the meaning set forth in Section 8.06(a)(ii) hereof.

“Operating Covenant” shall have the meaning set forth in Section 8.06(a)(i) hereof.

“Permitted Liens” shall mean those liens and encumbrances against the Property and/or the Project set forth on Exhibit D hereto.

“Permitted Mortgage” shall have the meaning set forth in Article 16 hereof.

“Plans and Specifications” shall mean initial construction documents, and any amendments thereto, containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

“Prior Expenditure(s)” shall have the meaning set forth in Section 4.05(a) hereof.

“Project” shall have the meaning set forth in the Recitals hereof.

“Project Budget” shall mean the budget attached hereto as Exhibit E-1, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with Section 3.03 hereof.

“Property” shall have the meaning set forth in the Recitals hereof.

“Redevelopment Area” shall have the meaning set forth in the Recitals hereof.

“Redevelopment Plan” shall have the meaning set forth in the Recitals hereof.

“Redevelopment Project Costs” shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.
"Reporting Period" shall mean the January 1 through and including December 31 for each year beginning one year after the issuance of the Certificate of Completion; provided, however, the first reporting period shall be such shorter amount of time from the date of issuance of the Certificate of Completion through and including December 31 for the same year.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the completion of the Project as required by the City or Lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending upon the expiration of the Compliance Period.

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which Incremental Taxes will be deposited.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"TIF Recapture Amount" shall mean the amount of money paid to the City pursuant to Section 8.05(a).

"Title Company" shall mean [to be inserted at closing], or such other title company reasonably acceptable to the City and Developer.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"Total Project Cost" shall mean the aggregate costs expended by Developer for completion of the Project, including without limitation hard and soft costs of construction, financing fees, and all other costs identified as separate line items within the Project Budget.
"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof and the receipt of all necessary permits: (i) commence construction no later than ninety (90) days after the Closing Date; and (ii) complete construction and commence business operations therein no later than twenty-four (24) months after the Closing Date.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered (a) the Plans and Specifications to all appropriate City departments and DPD has approved same, (b) Scope Drawings to DPD and DPD has approved same, and (c) submitted the Plans and Specifications to the Buildings Department. After such initial approvals, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order in accordance with Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the terms and conditions of the Agreement, the Planned Development and the Redevelopment Plan and all Laws, including without limitation, all zoning and building code requirements. The Developer shall submit all necessary documents to the City's Buildings Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing the Total Project Cost in an amount of not less than Twenty One Million One Hundred Sixty-Seven Thousand Thirty-Eight Dollars ($21,167,038) (the "Closing Date Total Project Cost"). The Developer hereby certifies to the City that: (a) the City Funds, together with Lender Finacing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects as of the date hereof. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of the leasable area within the Facility by five percent (5%) or more (either individually or cumulatively); (b) a change to any of the general uses of the Project from what is set forth in Recital E to this Agreement; (c) a delay in the completion of the Project by ninety (90) days or more; (d) any change that would impair the ability of the Project to be constructed on the Property; or (e) Change Orders resulting in an aggregate increase to the Project Budget of ten percent (10%) or more. DPD will attempt to expeditiously review any such Change Order request and approve or disapprove (with a brief written explanation given of
any disapproval) such proposed Change Order within thirty (30) days of its receipt thereof. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in the preceding clauses (a) through (e) hereof or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD’s written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD’s prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders within ten (10) business days after the execution of such Change Order and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

3.05 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer’s obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD’s approval of the Plans and Specifications) and proof of the General Contractor’s and each subcontractor’s bonding as and when required hereunder.

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written quarterly construction progress reports (i.e., on or about January 1st, April 1st, July 1st and September 1st) detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD’s written approval pursuant to Section 3.04 if such date is more than ninety (90) days after the completion date set forth in Section 3.01). The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any Lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Developer’s architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer’s expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD prior to requests for disbursement for costs related to the Project. With the written consent of DPD, the inspecting architect may be the inspecting architect engaged by or on behalf of any Lender and/or the Developer, provided that said architect is an independent architect licensed by the State of Illinois, or an inspecting agent of DPD.

3.09 Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all Laws. DPD 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 the Developer).

3.10 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City’s promotional literature and communications.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The Total Project Cost is estimated to be Twenty One Million One Hundred Sixty-Seven Thousand Thirty-Eight Dollars ($21,167,038), to be applied in the manner set forth in the Project Budget. The Total Project Costs shall be funded from the following sources:

- Lender Financing: $5,663,090
- Equity (subject to Sections 4.03(b) and 4.06): $2,504,078
- TIF: $13,000,000
- ESTIMATED TOTAL: $21,167,038

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any portion of the Total Project Cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03 and 4.05(c)) contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. In no event, however, shall City Funds be paid to the Developer either before the issuance of the Certificate of Completion or in excess of the Maximum TIF Assistance.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the “City Funds”) to pay for or reimburse Developer for the costs of the TIF-Funded Improvements:

<table>
<thead>
<tr>
<th>Source of City Funds</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental Taxes</td>
<td>$13,000,000</td>
</tr>
</tbody>
</table>

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of Thirteen Million Dollars ($13,000,000) or sixty percent (60%) of the Total Project Cost as determined under the Certified Final Total Project Cost Accounting issued pursuant to Section 7.01(c)(i) below; and provided further, that the $13,000,000 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose. The City Funds...
shall be paid to Developer in two equal disbursements pursuant to the time frames set forth herein and in accordance with the terms and conditions of this Agreement and after the delivery of each Requisition Form required by Section 4.04, payments shall be made from Incremental Taxes deposited in the TIF Fund, as follows:

<table>
<thead>
<tr>
<th>Payment</th>
<th>Timing</th>
<th>Maximum Annual Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment #1</td>
<td>Issuance of the Certificate of Completion</td>
<td>$6,500,000</td>
</tr>
<tr>
<td>Payment #2</td>
<td>First Anniversary of the Issuance of the Certificate of Completion</td>
<td>$6,500,000</td>
</tr>
<tr>
<td>TOTAL CITY FUNDS</td>
<td></td>
<td>$13,000,000</td>
</tr>
</tbody>
</table>

provided, further, that the $13,000,000 to be derived from Incremental Taxes, if any, shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

(i) The amount of the Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements.

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of $13,000,000 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) **Limitations on Reimbursements.** In no event shall the City Funds, exceed $13,000,000. In addition, if the Total Project Cost is less than the Closing Date Total Project Cost, then the maximum amount of City Funds shall be reduced on a dollar-for-dollar basis. Such reduction shall be taken from the Payment #1 (and, if necessary, from the Payment #2). Further, if the Developer fails to meet the sustainability requirements described in Section 8.23, the total amount of City Funds shall be reduced by $250,000.

4.04. **Requisition Form.** Prior to the request for Payment #1 and Payment #2, Developer shall provide DPD with a Requisition Form (in a form acceptable to DPD), along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DPD).

4.05 **Treatment of Prior Expenditures and Subsequent Disbursements**

(a) **Prior Expenditures.** Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered
previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures") DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit F hereto sets forth the prior expenditures approved by DPD as of the Closing Date as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer but shall reduce the amount of Equity and/or Lender Financing required to be contributed by Developer pursuant to Section 4.01 hereof.

(b) City Fee. Annually, the City may allocate an amount not to exceed five percent (5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

(c) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed $25,000 or $100,000 in the aggregate, may be made without the prior written consent of DPD.

4.06. Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, the Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.07. Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by Developer to DPD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the disbursement request represents the actual cost of the acquisition of the Property or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties contained in this Agreement are true and correct and Developer is in compliance with all covenants contained herein;

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and
(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed Lender Financing, if any; (ii) the undisbursed Equity and (iii) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, make available (in a manner acceptable to the City) funding in an amount that will place the Project In Balance.

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 but not limited to requirements set forth in the TIF Ordinances and this Agreement.

4.09. Conditional Grant. The City Funds are being provided on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being terminated and/or reimbursed as provided in Section 15.02 hereof.

SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

5.01. Project Budget. The Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02. Scope Drawings and Plans and Specifications. The Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.02 hereof.

5.03. Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any Laws to begin construction of the Project and has submitted evidence thereof to DPD.

5.04. Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. Developer has delivered to DPD a copy of the construction escrow agreement entered into by Developer regarding the Lender Financing. Any liens against the Property in existence at the Closing Date, except Permitted Liens, have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the Corporation Counsel, executed on or prior to the Closing Date, which is to be recorded at the expense of the Developer with the Office of the Clerk of Cook County.
5.05. **Acquisition and Title.** On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit D hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06. **Evidence of Clean Title.** Developer, at its own expense, has provided the City with searches as indicated in the chart below under the Developer's name showing no liens against Developer, the Developer's Managing Member, any person or legal entity having a direct or indirect, current or prospective (i.e. within 6 months after the Closing Date) beneficial interest (including ownership) in excess of 7.5% of the Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Searches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary of State</td>
<td>UCC, Federal tax</td>
</tr>
<tr>
<td>Cook County Recorder</td>
<td>UCC, Fixtures, Federal tax, State tax, Memoraanda of judgments</td>
</tr>
<tr>
<td>U.S. District Court</td>
<td>Pending suits and judgments (including bankruptcy)</td>
</tr>
<tr>
<td>Clerk of Circuit Court, Cook County</td>
<td>Pending suits and judgments</td>
</tr>
</tbody>
</table>

5.07. **Surveys.** The Developer has furnished the City with three (3) copies of the Survey.

5.08. **Insurance.** The Developer, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09. **Opinion of Developer's Counsel.** On the Closing Date, the Developer has furnished the City with an opinion of counsel in a form acceptable to the Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions required by the Corporation Counsel, such opinions shall be obtained by the Developer from its general corporate counsel.

5.10. **Evidence of Prior Expenditures.** The Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11. **Financial Statements.** The Developer has provided Financial Statements to DPD for its most recent fiscal year, and interim financial statements.

5.12. **Documentation.** The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, as follows: (a) a copy of the executed leases/letters of intent for the Bank Space and Annex Space, (b) all diligence items that are provided to the Lender in connection with the Lender Financing entered into on even date with this Agreement unless such
submissions have been waived by the City, and (c) any other documentation that would have a material impact on the Developer's ability to construct and/or operate the Project.

5.13. Environmental. The Developer has provided DPD with copies of that certain: (a) Phase I environmental audit completed with respect to the Property, and any Phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14. Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles of Organization containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary’s certificate in such form and substance as the Corporation Counsel may require; operating agreement; and such other organizational documentation as the City has requested.

The Developer has provided to the City all required EDS(s) in the City’s current form, dated as of the Closing Date, which are incorporated by reference, and the Developer further will provide any other affidavits or certifications as may be required by applicable Laws in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS(s), failure of any of the EDSs 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 Section 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. The Developer has provided to the Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.
SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, Developer does not solicit bids pursuant to Section 6.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed 10% of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD’s prior review. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any portion of the Project, the Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect’s Form No. A311 or its equivalent. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the Corporation Counsel and DPD. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records).
hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01. Certificate of Completion of Construction.

(a) Upon (i) satisfaction of the conditions set forth in Section 7.01(c) hereof, and (ii) the Developer's written request (which shall include the Certified Final Project Cost Accounting as described in subsection (c)(i), below), DPD shall issue to the Developer a Certificate of Completion in recordable form certifying that all obligations to complete the Project have been fulfilled by the Developer in accordance with the terms of this Agreement.

(b) DPD shall use its best efforts to respond to the Developer's written request for a Certificate of Completion within forty-five (45) 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 the Developer in order to obtain the Certificate of Completion. The Developer may resubmit a written request for a Certificate of Completion upon completion of such measures.

(c) The Developer acknowledges that the City will not issue a Certificate of Completion until all of the following conditions have been met:

(i) the Developer has given the City written notification that construction of the Project, including all of TIF-Funded Improvements, has been completed as required by this Agreement and has provided the City with a certified final accounting of the Total Project Cost, in form acceptable to DPD (the "Certified Final Project Cost Accounting"), showing that the Total Project Cost is equal to or in excess of Closing Date Total Project Cost. If the Total Project Cost, as shown in the Certified Final Project Cost Accounting, is less than the Closing Date Total Project Cost, then the City Funds shall be reduced on a dollar-for-dollar basis as provided in Section 4.03(c)(iii);

(ii) the Developer has provided the City with evidence acceptable to DPD that the final total cost for the TIF-Funded Improvements (other than interest costs) is equal to or in excess of Closing Date Total Project Cost;

(iii) the Developer has provided DPD with evidence acceptable to DPD showing that the Developer has completed the Project in compliance with the Plans and Specifications and all building permit requirements, including without limitation, receipt of all required certificate(s) of occupancy for the Project;

(iv) each of the following is met: (1) not less than fifty percent (50%) of the Project space is occupied and open to the public for business; and (2) Developer has submitted to DPD copies of all leases with tenants;

(v) evidence acceptable to DPD in the form of a closeout letter from DPD's Compliance and Monitoring division stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage); and

(vi) evidence acceptable to DPD that the Project has complied with the Chicago Sustainable Development Policy;
(vii) there exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

7.02. Effect of Issuance of Certificate of Completion; Continuing Obligations. 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 shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.01(i), 8.01(k), 8.02, 8.06, 8.19, 8.21 and 8.25 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate of Completion; provided, that upon the issuance of a Certificate of Completion, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate of Completion shall be binding only upon the Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03. Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from the Developer.

7.04. Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

8.01. General. The Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:
(a) the Developer 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) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its Articles of Organization or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted under the terms of this Agreement, or with written consent of DPD, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15 hereof) through the Term of the Agreement;

(e) the Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Developer which would impair its ability to perform under this Agreement;

(g) the Developer has and shall, as and when required, maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals and building permits) necessary to conduct its business and to construct, complete and operate the Project;

(h) the Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer or the Property is bound;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of the Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Developer since the date of the Developer’s most recent Financial Statements;

(j) the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; provided, however, no written consent or notice shall be needed when admitting new equity investors or when equity investors exit; (2) assign, sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto); provided, however, no written consent or notice shall be needed for leases in the ordinary course of business for operation of the Project; (3) enter into any transaction outside the ordinary course of the Developer’s business; (4) assume, guarantee,
endorse, or otherwise become liable in connection with the obligations of any other person or entity; (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; or (6) cease to operate the Project as required by this Agreement.

(k) the Developer has not incurred, and, prior to the issuance of a Certificate of Completion, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) neither the Developer nor any affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

(n) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(p) Developer understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be less than the maximum amounts set forth in Section 4.03(b);

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except in accordance with the terms
of Section 18.14 of this Agreement, and, to the fullest extent permitted by law, agrees to indemnify
the City for any losses, claims, damages or expenses relating to or based upon any sale,
assignment, pledge or transfer of City Funds in violation of this Agreement; and

(r) Developer acknowledges that with respect to City Funds, the City has no obligation
to provide any continuing disclosure to the Electronic Municipal Market Access System
maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City
Funds or any other person under Rule 15c2-12 of the Commission promulgated under the
Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto.

8.02. Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope
Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, Developer's
receipt of all required building permits and governmental approvals, the Developer shall redevelop
the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF
Ordinances, the Ordinance, the Scope Drawings, Plans and Specifications, the Project Budget
and all amendments thereto, and all Laws applicable to the Project, the Property and/or
Developer. The covenants set forth in this Section shall run with the land and be binding upon
any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate of
Completion with respect thereto.

8.03. Redevelopment Plan. The Developer represents that the Project is and shall be in
compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by
reference into this Agreement.

8.04. Use of City Funds. City Funds disbursed to the Developer shall be used by
Developer solely to pay for (or to reimburse the Developer for its payment for) the TIF-Funded
Improvements as provided in this Agreement.

8.05. Recapture of TIF Assistance.

(a) Upon the happening of a Capital Event on or before the tenth anniversary of the issuance
of the Certificate of Completion, the Developer agrees to pay and remit to the City on the closing
date of such Capital Event, as defined below, an amount equal to 100% of the City Funds
previously paid to the Developer.

(b) "Capital Event" shall mean the sale, transfer or refinancing of the Project or any part
thereof.

8.06. Operations Covenant, Occupancy Covenant and Job Creation Goals

(a) Operations Covenant; Occupancy Covenant, Job Creation Goals.

(1) During the entire the Compliance Period, Developer covenants and agrees to operate the
Project in the manner as described in Recital D, with the exception of recognized holidays or other
closures due in the normal course of business, including extended closures as may reasonably
be necessary for remodeling or improvement of commercial spaces from time to time (the
"Operations Covenant").

(ii) During the Compliance Period, Developer shall maintain no less than seventy-five percent
(75%) of the net rental square footage of the Project occupied by operational businesses and
JGMA shall maintain its corporate headquarters at the Property (collectively, the "Occupancy Covenant").

(iii) Developer will aspire to create fifty (50) full-time equivalent, permanent jobs and three hundred fifty (350) temporary full-time equivalent, construction jobs at the Project. Developer’s failure to reach the afore-stated goals will not constitute an Event of Default of this Agreement.

(b) Operation and Occupancy Covenants Defaults and Cure Periods.

(i) Non-Curable Covenant Default: There shall be no cure period for an event of default by Developer for failure to timely submit the Annual Compliance Report to the City.

(ii) Cure Periods. If Developer is in noncompliance with the Operations and Occupancy Covenants at the time of the Developer’s Annual Compliance Report submission, such noncompliance shall constitute an Event of Default. However, the Developer shall be entitled to two (2) non-consecutive one-year cure periods ("Covenant Cure Periods") during the Compliance Period. If the Annual Compliance Report submission in the next subsequent year following one of the Covenant Cure Periods also documents noncompliance with the Operations Covenant or the Occupancy Covenant, then such noncompliance shall constitute an Event of Default without notice or opportunity to cure, and the City shall have such remedies as set forth in Section 15.02 hereof.

(c) Operating Covenant Defaults. Notwithstanding Section 15.03 herein, failure to comply with the Operating Covenant at any time shall be an Event of Default without notice or an opportunity to cure.

(d) The covenants set forth in this Section 8.06 shall run with the land and be binding upon any transferee for the Term of the Agreement.

8.07. Employment Opportunity: Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD’s satisfaction, the manner in which Developer shall correct any shortfall.

8.08. Employment Profile. The Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD’s request.

8.09. Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City’s request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.
8.10. **Arms-Length Transactions.** Unless DPD has given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon DPD’s request, prior to any such disbursement.

8.11. **Conflict of Interest.** Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer’s business, the Property or any other property in the Redevelopment Area.

8.12. **Disclosure of Interest.** The Developer’s counsel has no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project.

8.13. **Financial Statements.** The Developer shall obtain and provide to DPD Financial Statements for Developer’s fiscal years ended 2020 and 2021 and each December 31 thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14. **Insurance.** Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

8.15. **Non-Governmental Charges.** (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to DPD, within thirty (30) days of DPD’s request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) **Right to Contest.** The Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer’s covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or
(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.16. Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17. Compliance with Laws.

(a) Representation. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be, as and when required, in compliance with all Laws pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

(b) Covenant. The Developer covenants that the Property and the Project will be operated and managed in compliance with all Laws. Upon the City's request, the Developer shall provide evidence to the City of its compliance with this covenant.

8.18. Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.


(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal
proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

(iii) The Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(iv) the Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

8.20. Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate of Completion) shall be in effect throughout the Term of the Agreement.

8.21. Annual Compliance Report. The Developer shall provide to DPD an Annual Compliance Report consisting of (a) an Affidavit from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement in a form acceptable to DPD, (b) sufficient documentation and certifications, to the satisfaction of DPD, to evidence that all ongoing requirements have been satisfied during the preceding reporting period (which DPD shall have the right, but not the obligation, to audit compliance with to determine the sufficiency of such Annual Compliance Report), and (c) the Data Sharing Form for the previous reporting period. The Annual Compliance Report shall be submitted each year within 60 days of each anniversary of the issuance of the Certificate of Completion (each such calendar year being a "Reporting Period"). Failure by the Developer to submit the Annual Compliance Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure
pursuant to Section 15.03 hereof. The covenants contained in this Section 8.21 shall run with the land and be binding upon any transferee for the Term of the Agreement.

8.22 Inspector General. It is the duty of the 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 the 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.

8.23 Sustainability Requirements. The Developer shall provide evidence acceptable to DPD that it has complied with the Chicago Sustainable Development Policy for the Project within one (1) year from the date of the issuance of the Certificate. If a default occurs under the Chicago Sustainable Development Policy requirement, the City shall have the right to reduce the amount of the City Funds by $250,000.

8.24 Job Readiness Program. Not less than thirty (30) days prior to the Closing Date, the Developer shall meet with Workforce Solutions (DPD workforce division) regarding compliance with all Section 8.24 requirements. During this meeting, the Developer will work with DPD to create an Employment Plan Needs Assessment for the Project. Developer shall work with DPD regarding the referral of potential candidates for job openings at the Project. The Developer hereby covenants and agrees to work with the City, and to use best efforts to have the retail and commercial tenants work with the City, to maximize the recruitment and interviewing of qualified City of Chicago candidates.

8.25 FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City under Section 8.21, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.
(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act.

8.26. Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate of Completion) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01. General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

9.02. Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01. Employment Opportunity. Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Property (collectively, with Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.
(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate of the Developer, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof.

10.02. City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by Actual Residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

"Actual Residents of the City” shall mean persons domiciled within the City. The domicile is an individual’s one and only true, fixed and permanent home and principal establishment.

Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee’s actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an
employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

10.03. MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:
(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit E-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

1. At least 26 percent by MBEs.
2. At least six percent by WBEs.

(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the construction of the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by Developer, on five Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible,
identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code, as applicable.

(f) Any reduction or waiver of Developer’s MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City’s monitoring staff with regard to Developer’s compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City’s monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City’s monitoring staff. During the Project, Developer shall submit the documentation required by this Section 10.03 to the City’s monitoring staff, including the following: (i) subcontractor’s activity report; (ii) contractor’s certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City’s monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

11.01. Environmental Studies. The Developer provided the City with a Phase I ESA, dated July 2022, and a Phase II ESA, dated XXX.

The Phase I ESA identified Recognized Environmental Conditions (“RECs”) and the Developer performed the Phase II ESA to ascertain the presence of any environmental impacts that may be associated with the RECs. The Phase II ESA identified contamination above residential remediation objectives as determined by Title 35 of the Illinois Administrative Code (“IAC”) Part 742. The Developer must obtain a new Phase I ESA, dated within 180 days prior to the Closing Date, and obtain a Phase II ESA to address any new RECs identified in the Phase I. The Developer shall enroll the Property in the IEPA’s SRP in order to obtain a No Further Remediation Letter for the enrolled Property. The Developer acknowledges and agrees that it may not commence construction on the Property or commence any other activity on the Property that could interfere with the prompt start and completion of the RAP until the IEPA issues a RAP Approval Letter for the Property.

The Developer covenants and agrees that upon, receipt of the RAP Approval Letter for the Property, the Developer shall promptly complete all Remediation Work necessary to obtain an NFR Letter for the Property, using all reasonable means. The City shall have the right to review in advance and approve all Environmental Documents and any changes thereto. Within 14 days (unless extended by the City), the Developer shall submit an estimate of the cost to perform the Remediation Work to the City. The Developer shall bear sole responsibility for all
costs of the Remediation Work necessary to obtain the NFR Letter, and the costs of any other investigative and cleanup costs associated with the Property. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees that the City will not permit occupancy until the IEPA has issued, the City has approved, and the Developer has recorded with the Cook County Recorder of Deeds a Final Comprehensive residential NFR Letter for the Property enrolled in the SRP. The City’s approval of the NFR Letter as issued by the IEPA shall not be unreasonably withheld. If the Developer fails to obtain the Final NFR Letter within six (6) months of the submission of the Remedial Action Completion Report to the IEPA, unless the City agrees to extend such time period, then the City shall have the right to issue a notice of default of this Agreement pursuant to Section 14 of this Agreement.

The Developer must abide by the terms and conditions of the NFR Letter and must inform any subsequent owner and tenants of the Property to abide by the terms of the NFR Letter.

11.02 Developer will conduct a Hazardous Building Material Survey of the Site prior to conducting any work that could constitute renovation, demolition, or abatement under the Environmental Laws ("abatement work") on or within an existing physical structure located on the Property. The Hazardous Building Material Survey shall include (but is not limited to) asbestos and lead-based paint surveys and testing and visually inspecting and, as necessary, testing the Property to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids), mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges), radioactive material-containing equipment and/or waste, medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes), refrigerants such as chlorofluorocarbons (CFCs), large appliances or equipment, mold, or any other materials that may require special handling or disposal during or after abatement work. A report documenting the Hazardous Building Material Survey results and an abatement plan shall be submitted to the City for review prior to beginning any abatement work.

The Developer will incorporate the results of the Hazardous Building Material Survey into its Project documents and perform abatement work as part of the Project in accordance with all Environmental Laws. A report documenting the completion of the abatement work shall be submitted to and approved by the City prior to approval of the Property for occupancy. If abatement work activities are not deemed sufficient by the City, the Developer shall continue work at their own expense until approved.

11.03 Release and Indemnification. The Developer, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under them (collectively, the "Developer Parties"), hereby releases, relinquishes and forever discharges the City, its officers, agents and employees (collectively, the "Indemnified Parties"), from and against any and all Losses which the Developer ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the Closing Date, based upon, arising out of or in any way connected with, directly or indirectly (i) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances or Other Regulated Materials; (ii) the structural, physical or environmental condition
of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances in, on, under or about the Property or the migration of Hazardous Substances or Other Regulated Materials from or to other Property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under CERCLA, 42 U.S.C. § 6901 et seq; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"); provided, however, the foregoing release shall not apply to the extent such Losses are proximately caused by the gross negligence or willful misconduct of the City following the Closing Date. Furthermore, the Developer shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the Indemnified Parties harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the Developer Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims, except as provided in the immediately preceding sentence for the City's gross negligence or willful misconduct following the Closing Date. The Developer Parties waive their rights of contribution and subrogation against the Indemnified Parties.

11.04 Release Runs with the Property. The covenant of release in Section 11.02 above shall run with the Property and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this RDA, and that, but for such release, the City would not have agreed to provide financial assistance to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer or Developer Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, the Developer and any of the Developer Parties shall not assert that those obligations must be satisfied in whole or in part by the City, because Section 11.02 contains a full, complete and final release of all such claims, except as provided in such section for the City's gross negligence or willful misconduct following the Closing Date.

11.05 Indemnity. 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 Substances or Other Regulated Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Substances or Other Regulated 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.
11.06 **Survival.** This Section 11 shall survive the Closing Date or any termination of this Agreement (regardless of the reason for such termination).

SECTION 12. INSURANCE

Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the Term of the Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) **Prior to execution and delivery of this Agreement.**

(i) **Workers Compensation and Employers Liability**

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than $100,000 each accident, illness or disease.

(ii) **Commercial General Liability (Primary and Umbrella)**

Commercial General Liability Insurance or equivalent with limits of not less than $1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) **All Risk Property**

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) **Construction.** Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) **Workers Compensation and Employers Liability**

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than $500,000 each accident, illness or disease.

(ii) **Commercial General Liability (Primary and Umbrella)**

Commercial General Liability Insurance or equivalent with limits of not less than $2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no
limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) **Automobile Liability (Primary and Umbrella)**

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than $2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) **Railroad Protective Liability**

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than $2,000,000 per occurrence and $6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) **All Risk /Builders Risk**

When Developer undertakes any construction, including improvements, betterments, and/or repairs, Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) **Professional Liability**

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than $1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) **Valuable Papers**

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the recreation and reconstruction of such records.

(viii) **Contractors Pollution Liability**

When any remediation work is performed which may cause a pollution exposure, Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than $1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense,
excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) **Post Construction**

(i) All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) **Other Requirements**

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Developer must submit evidence of insurance to the City on an insurance certificate form to the City's satisfaction prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.
If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements during the Term of the Agreement.

SECTION 13. INDEMNIFICATION

13.01. General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnities") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnities in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnities in any manner relating or arising out of:

(i) Developer’s failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(ii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any 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 any Affiliate of the Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

(iv) Developer’s failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnites or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.
14.01. **Books and Records.** Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02. **Inspection Rights.** Upon three (3) business days' notice, any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

**SECTION 15. DEFAULT AND REMEDIES**

15.01. **Events of Default.** The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by Developer hereunder:

(a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;

(b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company to the satisfaction of DPD, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial
liquidation, or the merger or consolidation, of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) the entry of any judgment or order against Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period;

(i) the dissolution of Developer or the sale or transfer of the majority of the ownership interests of the Developer or its Managing Member, without the written consent of the City;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor);

(k) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

For purposes of Sections 15.01(j) hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of Developer's membership interests.

15.02. Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, discontinue payment of City Funds, place a lien on the Project in the amount of City Funds paid, and/or seek reimbursement of any City Funds previously paid to the Developer. In addition, the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the terms and conditions contained herein.

15.03. Curative Period.

(a) In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary (except as provided in Section 8.06), an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty
(30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that there shall be no cure period with respect to the filing of the Annual Compliance Report pursuant to Section 8.21 or for noncompliance with the Operating Covenant and that the cure period for noncompliance with the Occupancy Covenant shall be as provided for in Section 8.06(b) hereof.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit D hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.14 hereof, the City may, but shall not be obligated to, attest to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.14 hereof, the City hereby agrees to attest to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to Developer of a Certificate of Completion pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.
SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified mail, return receipt requested.

<table>
<thead>
<tr>
<th>If to the City:</th>
<th>If to Developer:</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</td>
<td>Team Pioneros, LLC 1425 South 55th Court Cicero, Illinois 60804 Attention: Matt Mosher</td>
</tr>
<tr>
<td>With Copies To:</td>
<td>With Copies To:</td>
</tr>
<tr>
<td>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</td>
<td></td>
</tr>
</tbody>
</table>

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01. Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to (A) 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%), (B) materially change the Property or character of the Project or any activities undertaken by Developer affecting the Property, the Project, or both, or (C) increase any time agreed for performance by Developer by more than ninety (90) days.

18.02. Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.
18.03. **Limitation of Liability.** No member, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04. **Further Assurances.** Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05. **Waiver.** Waiver by the City or Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06. **Remedies Cumulative.** The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07. **Disclaimer.** Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18.08. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

18.09. **Severability.** If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.10. **Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

18.11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

18.12. **Form of Documents.** All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

18.13. **Approval.** Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the
reasonable discretion thereof. The Commissioner or other person designated by the Mayor of
the City shall act for the City or DPD in making all approvals, consents and determinations of
satisfaction, granting the Certificate of Completion or otherwise administering this Agreement for
the City.

18.14. **Assignment.** Except as permitted in Section 8.01(j) hereof, Developer may not sell,
assign or otherwise transfer its interest in this Agreement in whole or in part without the written
consent of the City. Any successor in interest to Developer under this Agreement shall certify in
writing to the City its agreement to abide by all remaining executory terms of this Agreement,
including but not limited to Section 8.02 (Covenant to Redevelop), Section 8.06 (Jobs, Occupancy
and Operations Covenant), Section 8.19 (Real Estate Provisions), Section 8.25 (FOIA and Local
Records Act Compliance) and Section 8.26 (Survival of Covenants) hereof, for the Term of the
Agreement. The proposed buyer or assignee of the Developer must be qualified to do business
with the City (including but not limited to provision of Economic Development Statement(s) and
compliance with anti-scofflaw requirements). Developer consents to the City’s sale, transfer,
assignment or other disposal of this Agreement at any time in whole or in part.

18.15. **Binding Effect.** This Agreement shall be binding upon Developer, the City and their
respective successors and permitted assigns (as provided herein) and shall inure to the benefit
of Developer, the City and their respective successors and permitted assigns (as provided herein).
Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be
enforceable by, any person or entity other than a party to this Agreement and its successors and
permitted assigns. This Agreement should not be deemed to confer upon third parties any
remedy, claim, right of reimbursement or other right.

18.16. **Force Majeure.** Neither the City nor Developer nor any successor in interest to
either of them shall be considered in breach of or in default of its obligations under this Agreement
in the event of any delay caused by damage or destruction by fire or other casualty, strike,
shortage of material, unusually adverse weather conditions such as, by way of illustration and not
limitation, severe rain storms or below freezing temperatures of abnormal degree or for an
abnormal duration, tornadoes or cyclones, and other acts of nature beyond the reasonable control
of the party affected which in fact interferes with the ability of such party to discharge its obligations
hereunder. The individual or entity relying on this section with respect to any such delay shall,
upon the occurrence of the event causing such delay, immediately give written notice to the other
parties to this Agreement. The individual or entity relying on this section with respect to any such
delay may rely on this section only to the extent of the actual number of days of delay effected by
any such events described above.

18.17. **Business Economic Support Act.** Pursuant to the Business Economic Support Act
(30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, Developer
shall, in addition to the notice required under the WARN Act, provide at the same time a copy of
the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House
of Representatives of the State, the President and minority Leader of the Senate of State, and
the Mayor of each municipality where Developer has locations in the State. Failure by Developer
to provide such notice as described above may result in the termination of all or a part of the
payment or reimbursement obligations of the City set forth herein.

18.18. **Venue and Consent to Jurisdiction.** If there is a lawsuit under this Agreement, each
party may hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of
Illinois and the United States District Court for the Northern District of Illinois.
18.19. **Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.20. **Business Relationships That Create Financial Interests.** The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

18.21. **Headings.** The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

18.22. **Exhibits.** All of the exhibits attached hereto are incorporated herein by reference.
IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

TEAM PIONEROS, LLC
an Illinois limited liability company

By: Park Row Development, LLC, its Managing Member

By: ____________________________
   Name: Matt Mosher
   Title: Managing Member

CITY OF CHICAGO, an Illinois municipal corporation

By: ____________________________
   Name: Maurice Cox
   Title: Commissioner, Department of Planning and Development
State of Illinois )
    ) SS.
County of Cook )

I, _______________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Matt Mosher, personally known to me to be the managing Member of Park Row Development, LLC ("Managing Member"), the managing member of Team Pioneros, LLC (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 signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Managing Member, as his free and voluntary act and as the free and voluntary act of the Managing Member and the Developer, for the uses and purposes therein set forth.

Given under my hand and official seal this _____ day of ____________, 2023.

__________________________
Notary Public

My Commission Expires _____________

(SEAL)

State of Illinois )
    ) SS.
County of Cook )

I, _______________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Maurice Cox, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of ____________, 2023.

__________________________
Notary Public

My Commission Expires _____________

(SEAL)

[(Sub)Exhibits "A", "B", "F" and "G" referred to in this Team Pioneros LLC Redevelopment Agreement unavailable at time of printing.]
(Sub)Exhibit “C”.
(To Team Pioneros LLC Redevelopment Agreement)

TIF-Funded Improvements*.

Acquisition Costs: $ 1,000,000

Hard Costs:

Site Preparation/Excavation $ 125,000
Environmental Remediation 146,000
Building Renovation 11,538,200
Interiors 0

Total Hard Costs: 13,963,020

Total: $13,963,020

(Sub)Exhibit “D”.
(To Team Pioneros LLC Redevelopment Agreement)

Permitted Liens.

1. Liens Or Encumbrances Against The Property:

Those matters set forth as Schedule B title exceptions in the owner’s title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

* Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed the maximum TIF Assistance.
2. Liens or encumbrances against Developer or the Project, other than liens against the Property, after the Closing Date:

[To be inserted at closing.]

(Sub)Exhibit “E-1”.
(To Team Pioneros LLC Redevelopment Agreement)

Project Budget.

<table>
<thead>
<tr>
<th>Acquisition Costs:</th>
<th>$ 1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard Costs:</td>
<td></td>
</tr>
<tr>
<td>Site Preparation/Excavation</td>
<td>$ 125,000</td>
</tr>
<tr>
<td>Environmental Remediation</td>
<td>146,000</td>
</tr>
<tr>
<td>Building Renovation</td>
<td>11,538,200</td>
</tr>
<tr>
<td>Interiors</td>
<td>0</td>
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<tr>
<td>General Conditions</td>
<td>0</td>
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<tr>
<td>Hard Cost Contingency</td>
<td>1,153,820</td>
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<td>Total Hard Costs:</td>
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<tr>
<td>Soft Costs/Fees</td>
<td></td>
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<tr>
<td>Architecture and Engineering</td>
<td>$ 1,193,820</td>
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<tr>
<td>Survey/Title/Appraisal</td>
<td>227,500</td>
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<tr>
<td>Financing and Accounting</td>
<td>3,640,572</td>
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<td>Advertising and Public Relations</td>
<td>4,750</td>
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<tr>
<td>Permits</td>
<td>40,000</td>
</tr>
</tbody>
</table>
Testing: $0

Insurance: $55,000

Developer Fee: $1,500,000

Soft Cost Contingency: $450,000

Total Soft Costs: $7,111,642

Total: $21,201,582

(Sub)Exhibit “E-2”.
(To Team Pioneros LLC Redevelopment Agreement)

MBE/WBE Budget:

Hard Costs:
Site Preparation/Excavation: $125,000

Environmental Remediation: $146,000

Building Renovation: $11,538,200

Interiors: $0

Hard Cost Contingency: $1,153,820

Total Hard Costs: $13,089,940

Soft Costs/Fees:
Architecture and Engineering: $1,193,820

Survey/Title/Appraisal: $0

Total Soft Costs: $1,193,820

Total: $14,283,760

Project MBE Total at 26 percent: $3,713,778

Project WBE Total at 6 percent: $857,026
The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance concerning the authority to enter into and execute a redevelopment agreement with Westside Health Authority, Austin Coming Together and QALICB for the provision of Tax Increment Financing (TIF) funds for the construction of the Aspire Center at 5500 West Madison Street, located in the 29th Ward (02023-1305), in the amount of $12,250,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.
The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on September 29, 1999 and published at pages 11506 to 11621 of the Journal of the Proceedings of the City Council of the City of Chicago (the "Journal") of such date, a certain redevelopment plan and project (the "Original Madison/Austin Plan and Project") for the Madison/Austin Redevelopment Project Area (the "Madison/Austin Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on September 29, 1999 and published at pages 11621 to 11642 of the Journal of such date, the Madison/Austin Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on September 29, 1999 (the "Madison/Austin TIF Ordinance") and published at pages 11643 to 11662 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs, as defined in the Act, incurred pursuant to the Madison/Austin Plan and Project (as defined herein) and directed that the allocation of ad valorem taxes arising from levies by taxing districts upon the taxable real property in the Madison/Austin Area and tax rates be divided in accordance with the Act and as described in the Madison/Austin TIF Ordinance; and

WHEREAS, The Original Madison/Austin Plan and Project has been amended by an ordinance adopted on November 3, 2004 (the "First Amendment"); and

WHEREAS, The Original Madison/Austin Plan and Project, as amended by the First Amendment and any subsequent amendments, are together herein referred to as the "Madison/Austin Plan and Project"; and

WHEREAS, Westside Health Authority, an Illinois not-for-profit corporation ("WHA"), owns real property located within the Madison/Austin Area formerly known as the Robert Emmet Elementary School, which is generally located at 5500 West Madison Street, Chicago, Illinois 60644 (the "Site"); and

WHEREAS, Austin Coming Together, an Illinois not-for-profit corporation ("ACT") works with various entities with the shared mission of increasing collective impact to improve the quality of life in the Austin community of the City; and

WHEREAS, WHA plans to ground lease the Site to a to-be-formed entity that will be an affiliate of WHA and ACT (the "QALICB"), who will then sublease the Site to another to-be-formed entity that will be an affiliate of WHA and ACT (the "Prime Tenant") for sub-sublease to various sub-subtenants of the Project (as defined herein); and

WHEREAS, WHA, ACT, QALICB and Prime Tenant are collectively referred to herein as the "Developer"; and
WHEREAS, Developer plans to redevelop the Site into an approximately 76,500-square-foot mixed-use facility containing a workforce training and career development space, manufacturing training center, financial services retail space, community plaza and parking lot (the "Project"); and

WHEREAS, Developer proposes to undertake the Project in accordance with the Madison/Austin Plan and Project and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, including but not limited to the completion of the Project; and

WHEREAS, WHA plans to partner with ACT and the Jane Addams Resource Corporation to provide wrap-around services at the Site; and

WHEREAS, Pursuant to Resolution 22-CDC-60 adopted by the Community Development Commission of the City of Chicago (the "Commission") on October 11, 2022, the Commission has recommended that the Developer be designated as the developer for the Project and that the Department of Planning and Development ("DPD") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of DPD (the "Commissioner") or a designee are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 4. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 5. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. Effective Date. This ordinance shall take effect upon its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:
This Aspire Center Redevelopment Agreement (this "Agreement") is made as of this __ day of ___, 2023, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), Westside Health Authority, an Illinois not-for-profit corporation ("WHA"), Austin Coming Together, an Illinois not-for-profit corporation ("ACT"), [a to-be-formed entity that will be an affiliate of WHA and ACT] ("Prime Tenant") and [a to-be-formed entity that will be an affiliate of WHA and ACT] ("QAUCB") (collectively referred to herein as the "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, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on September 29, 1999 (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Madison/Austin Corridor Redevelopment Project Area" (the "Plan Adoption Ordinance"), (2) "An Ordinance of the City of Chicago, Illinois Designating the Madison/Austin Corridor 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 Madison/Austin Corridor Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances")

The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.
The Project

WHA owns property located in the Redevelopment Area known formerly known as the Robert Emmet Elementary School generally located at 5500 West Madison Ave., Chicago IL 60644 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, the Developer shall redevelop the vacant former school building into an approximately 76,500 square foot mixed-use facility, including the construction of a three-story addition featuring a new front entry facing North Central Ave. (the "Facility") As part of the project, the Developer shall build out the first and second floor interior spaces for specific identified tenants. The third floor will be a vanilla box for future occupancy or, at the Developer's discretion, may be built out in the initial construction for a particular tenant. When completed the project will contain a workforce training and career development, manufacturing training center, financial services retail space, community plaza and parking lot.

WHA is planning to partner with ACT and the Jane Addams Resource Corporation to provide wrap-around services on site. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." WHA will ground lease the Project to QALICB, who will sublease the Project to Prime Tenant for sub-sublease to various sub-subtenants of the Project. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

In addition to completing the Project, the Developer anticipates creating a total of 50 new Full-Time Equivalent Employees (or FTEs). The Developer further will aspire to hire 30 temporary FTE construction-related positions and to serve over 2,000 workers over five (5) years.

E. Redevelopment Plan. The Project will be carried out in accordance with this Agreement and the Madison/Austin Corridor Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project (the "Original Redevelopment Plan") included in the Plan Adoption Ordinance and published at pages 11506 to 11621 of the Journal of the Proceedings of the City Council (the "Journal") of September 29, 1999. The Original Redevelopment Plan was amended by ordinances adopted by the City Council on November 3, 2004 and published at pages 34555 to 34569 of the Journal of said date ("Amendment No 1") and on __________, 2023 and published at pages _____ to _____ of the Journal of said date ("Amendment No. 2"). The Original Redevelopment Plan, Amendment No 1 and Amendment No. 2 are together referred to herein as the "Redevelopment Plan."

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for or reimburse Prime Tenant for the costs of TIF-Funded Improvements incurred by Prime Tenant pursuant to the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:
SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

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SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"Act" shall have the meaning set forth in the Recitals hereof.

"Acquisition" shall have the meaning set forth in the Recitals hereof.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with Developer.
"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the RDA during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Occupancy Covenant (Section 8.06), (2) delivery of Financial Statements and unaudited financial statements (Section 8.13), (3) delivery of updated insurance certificates, if applicable (Section 8.14), (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15), (5) delivery of a jobs report detailing (i) employee status as full-time or part-time; (ii) ZIP code of employee's primary residency; (iii) total employment tenure of each employee measured in months; (iv) wages above or below the "Living Wage" rate as defined for that year; and (v) progress toward completing the community benefits specified in Section 8.25, and (6) compliance with all other executory provisions of the RDA.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

"Capital Event" shall have the meaning set forth for such term in Section 4.09 hereof.

"Certificate" shall mean the Certificate of Completion of Construction or Rehabilitation described in Section 7.01 hereof.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.04.

"City Contract" shall have the meaning set forth in Section 8.01(i) hereof.

"City Council" shall have the meaning set forth in the Recitals hereof.

"City Funds" shall mean the funds described in Section 4.03(b) hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Collateral Assignment" shall mean a collateral assignment of the right to receive payment of City Funds, such collateral assignment to be made by Prime Tenant to secure a bridge loan and in form and substance acceptable to the City in its sole discretion.

"Compliance Period" shall mean a period beginning on the date the Certificate is issued and ending on the 10th anniversary of the date the Certificate is issued, subject to extension for each cure period, if any, occurring pursuant to Section 15.03 hereof.

"Construction Contract" shall mean that certain contract to be entered into between Developer and the General Contractor providing for construction of the Project.
“Contract” shall have the meaning set forth in Section 10.03 hereof.

“Contractor” shall have the meaning set forth in Section 10.03 hereof.

“Corporation Counsel” shall mean the City’s Department of Law

“EDS” shall mean the City’s Economic Disclosure Statement and Affidavit, on the City’s then-current form, whether submitted in paper or via the City’s online submission process.

“Employer(s)” shall have the meaning set forth in Section 10 hereof

“Employment Plan” shall have the meaning set forth in Section 5.12 hereof.

“Environmental Laws” shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.), (ii) any so-called “Superfund” or “Superlien” law, (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.), and (x) the Municipal Code.

“Equity” shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

“Escrow” shall mean the construction escrow established pursuant to the Escrow Agreement.

“Escrow Agreement” shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the Title Company, Developer, NMTC Lenders, and the disbursement agent engaged by the NMTC Lenders.

“Event of Default” shall have the meaning set forth in Section 15 hereof.

“Facility” shall have the meaning set forth in the Recitals hereof.

“Financial Interest” shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

“Financial Statements” shall mean complete audited financial statements of Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.
"Full-Time Equivalent Employee" or "FTE" shall mean an employee of the Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent position at least 35 hours per week at the Project during the applicable month, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by the Developer or by third parties in positions ancillary to the Developer's operations at the Project including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

"General Contractor" shall mean the general contractor(s) hired by Developer pursuant to Section 6.01.

"Ground Lease" shall mean that certain ground lease from WHA to the QAUCB.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, as adjusted to reflect the amount of the TIF District Administration Fee described in Section 4.05 hereof.

"Indemnitee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

"Investment Fund" shall mean a to-be-formed subsidiary of NMTC Investor expected to make a qualified equity investment in each NMTC Lender.

"Lender Financing" shall mean funds borrowed by Prime Tenant or QAUCB from lenders and irrevocably available to pay for costs of the Project, in the amount set forth in Section 4.01 hereof, including, without limitation the NMTC Loan and the Senior Loan.

"Material Amendment" shall mean an amendment of either the Ground Lease or the sublease from QAUCB to Prime Tenant, the net effect of which is to directly or indirectly do any of the following with respect to the Project: (a) materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or other monetary amounts payable (or monetary credits) under the Ground Lease or the sublease from QAUCB to Prime Tenant, as applicable, or
otherwise confer or take away any material economic benefit, in each case taking into account all
direct economic effects under the Ground Lease or the sub-lease from QALICB to Prime Tenant,
as applicable, of the amendment; or (b) shorten the initial term of the Ground Lease or the sub-
lease from QALICB to Prime Tenant, as applicable, or grant additional early termination rights
that, if exercised, would shorten the initial term of the Ground Lease or the sub-lease from QALICB
to Prime Tenant, as applicable

"MBE(s)" shall mean a business identified in the Directory of Certified Minority Business
Enterprises published by the City's Department of Procurement Services, or otherwise certified
by the City's Department of Procurement Services as a minority-owned business enterprise,
related to the Procurement Program or the Construction Program, as applicable

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit E-2, as described
in Section 10.03

"MBE/WBE Program" shall have the meaning set forth in Section 10.03 hereof.

"Municipal Code" shall mean the Municipal Code of the City of Chicago, as amended from
time to time.

"Net NMTC Equity" shall have the meaning set forth in Section 4.01 hereof

"NFR Letter" shall mean a "no further remediation" letter issued by IEPA pursuant to the
Site Remediation Program.

"Net NMTC Equity" shall have the meaning set forth in Section 4.01 hereof.

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

"NMTC" shall mean the Federal New Markets Tax Credits

"NMTC Compliance Period" shall mean the earlier of (a) the seventh (7th) anniversary of
the Investment Fund's last qualified equity investment in a NMTC Lender or (b) the termination or
repayment of the NMTC Loan.

"NMTC Investor" shall mean Chase Community Equity, LLC, a Delaware limited liability
company, or such other investor in NMTCs generated by the Project as may be engaged by
Developer.

"NMTC Lenders" shall mean, collectively, one or more community development entities or
their respective subsidiaries that make NMTC Loans to QALICB for the Project.

"NMTC Loan" shall mean those certain loans made by the NMTC Lenders to QALICB for
the Project.

"Non-Governmental Charges" shall mean all non-governmental charges, liens, claims, or
encumbrances relating to Developer, the Property or the Project.
"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on Exhibit D hereto.

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

"Plans and Specifications" shall mean initial 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.

"Project" shall have the meaning set forth in the Recitals hereof.

"Project Budget" shall mean the budget attached hereto as Exhibit E-1, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with Section 3.03 hereof.

"Property" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74 4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Remediation Work" shall mean [all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Parcel in accordance with the terms and conditions of the SRP Documents, all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.]

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit F, to be delivered by Developer to DPD pursuant to Section 4.03(c) of this Agreement.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Senior Lender" means, collectively, or individually, as the context may require, JPMorgan Chase Bank, N.A., IFF, Chicago Community Loan Fund ("CCLF") and/or Enterprise Community Loan Fund ("ECLF").

"Senior Loan" shall mean, collectively, (i) the approximately $12,250,000 TIF bridge loan by JPMorgan Chase Bank, N.A to Prime Tenant, (ii) the approximately $(3,333,333) loan from IFF to Prime Tenant to bridge state funds, (iii) the approximately $(3,333,333) loan from CCLF to Prime Tenant to bridge state funds, and (iv) the approximately $(3,333,333) loan from ECLF to Prime Tenant to bridge state funds.
"Site Remediation Program" shall mean the program for the environmental remediation of the Property undertaken by the Developer and overseen by the IEPA, upon completion of which (to the satisfaction of the IEPA) the IEPA shall issue an NFR Letter with respect to the Property to the Developer.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Sustainable Development Policy" shall mean the Sustainable Development Policy of the City as in effect on the Closing Date.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the last day of the Compliance Period.

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF District Administration Fee" shall mean the fee described in Section 4.05 hereof.

"TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"Title Company" shall mean Greater Illinois Title Company, Inc

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing QALICB as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in a form acceptable to the Corporation Counsel 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.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified
by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable

SECTION 3 THE PROJECT

3.01 The Project. With respect to the Facility, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than 180 days after the Closing Date, and (ii) complete construction and conduct business operations therein no later than 24 months after the Closing Date.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than $40,960,200. Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing, Equity, Net NMTC Equity and the Grant Funds (Foundations and Corporate) as described in Section 4.01 hereof, shall be sufficient to complete the Project. Developer further certifies to the City that the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of the Project by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of the Project to a use other than as described in Recital D to this Agreement; (c) a delay in the completion of the Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such
Change Orders within 10 business days after the execution of such Change Order and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

3.05 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder. The inspecting agent or architect may be the same one being used in such role by the NMTC Lender or the Senior Lender providing Lender financing, provided that such agent or architect (a) is not also Developer's agent or architect and (b) acknowledges in writing to the City that the City may rely on the findings of such agent or architect.

3.09 Barricades. Prior to commencing any construction requiring barricades, Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.10 Signs and Public Relations. Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. This sign may also name other financing sources. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.
3.11 Utility Connections. Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.12 Permit Fees. In connection with the Project, Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

SECTION 4 FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be $40,960,200 to be applied in the manner set forth in the Project Budget (the “Total Project Cost”). Such costs shall be funded through a NMTC financing structure, including the NMTC Loan, in part, from the following sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity (subject to Sections 4.03(b) and 4.06)</td>
<td>$20,000</td>
</tr>
<tr>
<td>Senior Loan (Bridge of State Funds)</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>City Funds (subject to Section 4.03)</td>
<td>$12,250,000</td>
</tr>
<tr>
<td>Net NMTC Equity</td>
<td>$10,590,200</td>
</tr>
<tr>
<td>Grant Funds (Foundations and Corporate)</td>
<td>$8,100,000</td>
</tr>
<tr>
<td><strong>ESTIMATED TOTAL</strong></td>
<td><strong>$40,960,200</strong></td>
</tr>
</tbody>
</table>

(*Amount does not reflect anticipated bridge loans for City Funds)

The payment of City Funds, including the timing of payment, is subject to the terms and conditions of this Agreement, including but not limited to Section 4.03 and Section 5 hereof.

4.02 Developer Funds. Equity, Lender Financing, and Net NMTC Equity, including bridge financing for any of the foregoing, and Grant Funds as set forth in Section 4.01 above, shall be used directly or indirectly through a NMTC financing structure to pay all Project costs, including but not limited to Redevelopment Project Costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Prime Tenant for costs of TIF-Funded Improvements incurred by Prime Tenant that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Section 4.03(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City Funds from the sources and in the amounts described directly below (the “City
Funds") to pay for or reimburse Prime Tenant for the costs of the TIF-Funded Improvements incurred by Prime Tenant:

<table>
<thead>
<tr>
<th>Source of City Funds</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental Taxes</td>
<td>$12,250,000</td>
</tr>
</tbody>
</table>

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of $12,250,000 or 29.91% of the actual Total Project Costs; and provided further, that the $12,250,000 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose:

(i) The amount of the Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements.

The City Funds shall be paid to Prime Tenant in two equal installments pursuant to the time frames set forth herein and in accordance with the terms and conditions of this Agreement, as follows:

1. First installment in an amount up to $6,125,000 or 50% of City Funds, will be paid upon receipt of the Certificate.

2. Second and final installment in the amount of $6,125,000 or 50% of the City Funds, will be paid at the first anniversary of the issuance of the Certificate.

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of $12,250,000 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above. In the event that such conditions are not fulfilled, the amount of Equity or Lender Financing, with the consent of the City in its sole discretion, to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) When the Developer makes a written request for the issuance of the Certificate and prior to the first anniversary of the issuance of the Certificate (or such other date as the parties may agree to), Developer shall provide DPD with a Requisition Form as provided in Exhibit F, along with the documentation described therein. Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.04 Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed $25,000 or $100,000 in the aggregate, may be made without the prior written consent of DPD.
4.05 TIF District Administration Fee. Annually, the City may allocate an amount (the "TIF District Administration Fee") not to exceed five percent (5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.07 Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by Developer to DPD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement that:

(a) the total amount of the disbursement request represents the actual cost of the Acquisition or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties contained in this Redevelopment Agreement are true and correct and Developer is in compliance with all covenants contained herein;

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any (including any Lender Financing advanced into and available in a controlled account pledged to NMTC Lenders); (iii) the undisbursed Equity (including any bridge financing for any of the foregoing); (iv) the Net NMTC Equity; (v) the undisbursed Grant Funds (Foundations and Corporate) set forth in Section 4.01 hereof; and (vi) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees
that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or NMTC Lenders (or an account controlled by NMTC Lenders) or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement 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 but not limited to requirements set forth in the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 7 hereof.

4.09 Return of City Funds Upon Refinance, Sale or Transfer. Except (1) in connection with the transfer of the Project from WHA to QALICB or an affiliate of Developer, or (2) in connection with the financing related to the end of the NMTC Compliance Period of the Project, in the event of a refinance, sale or transfer of the Project or any part thereof (each happening being a "Capital Event"), from the Closing Date until the 10th anniversary of the issuance of the Certificate, the Prime Tenant agrees to pay and remit to the City an amount equal to 100% of the City Funds paid to date. This covenant shall not run with the land but shall be personal to Developer.

SECTION 5 CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

5.01 Project Budget. Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawings and Plans and Specifications. Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD.

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity, Lender Financing, Net NMTC Equity (including any bridge financing for any of the foregoing) and the Grant Funds (Foundations and Corporate) in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If
a portion of such funds consists of Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other sources set forth in Section 4.01) to complete the Project. Developer has delivered to DPD a copy of the construction Escrow Agreement. Any liens against the Property in existence at the Closing Date, other than Permitted Liens, have been subordinated to certain encumbrances of the City set forth herein pursuant to a subordination agreement, in a form acceptable to the Corporation Counsel, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, with the Office of the Clerk of Cook County.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing QALICB as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit D hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Searches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary of State</td>
<td>UCC, Federal tax</td>
</tr>
<tr>
<td>Cook County Recorder</td>
<td>UCC, Fixtures, Federal tax, State tax, Memoranda of judgments</td>
</tr>
<tr>
<td>U.S. District Court</td>
<td>Pending suits and judgments</td>
</tr>
<tr>
<td>Clerk of Circuit Court, Cook County</td>
<td>Pending suits and judgments</td>
</tr>
</tbody>
</table>

5.07 Surveys. Developer has furnished the City with three (3) copies of the Survey.

5.08 Insurance. Developer, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel in a form acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions required by the Corporation Counsel, such opinions must be obtained by Developer from its general corporate counsel or such other counsel acceptable to the Corporation Counsel.
5.10 Intentionally omitted.

5.11 Financial Statements. WHA and ACT have provided Financial Statements to DPD for their most recent fiscal years, and audited or unaudited interim financial statements.

5.12 Documentation; Employment Plan. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07.

5.13 Environmental. Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits. The Developer shall provide the City with a final comprehensive NFR Letter with respect to the Property, signed by the IEPA upon issuance thereof.

5.14 Corporate Documents: Economic Disclosure Statement. Each entity comprising Developer has provided a copy of its Articles or Certificate of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which such entity is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws or operating agreement of such entity, and such other corporate documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to eligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an Event of Default under this Agreement.

5.15 Litigation. Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

5.16 Leases. Developer has provided DPD with copies of the Ground Lease, the sublease between the QALICB and the Prime Tenant, and any sub-subleases or letters of intent by and between the Prime Tenant and the Project sub-subtenants in effect as of the Closing Date.
SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, [and having an office located in,] the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, Developer does not solicit bids pursuant to Section 6.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed ___% of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

6.02 Construction Contract. Prior to the execution thereof, Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD’s prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any portion of the Project, Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. Prior to the commencement of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to
Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement) Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7 COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation Upon completion of the rehabilitation and construction of the Project in accordance with the terms of this Agreement, and upon Developer's written request, DPD shall issue to Developer a Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. No Certificate shall be issued unless DPD is satisfied that the Developer has fulfilled all of the following obligations: DPD shall respond to Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures.

The Developer acknowledges and understands that the City will not issue the Certificate and pay out City Funds in connection with the Project, until the following conditions have been met:

- Evidence acceptable to DPD that the Total Project Cost ("TPC") is equal to, or in excess of, $40,960,000. If the final cost is less than the TPC, City Funds will be reduced on a dollar-for-dollar basis.
- Evidence that Prime Tenant has incurred TIF-eligible costs in an amount equal to, or greater than, the total maximum amount of City Funds.
- Receipt of a Certificate of Occupancy for the Project or other evidence acceptable to DPD that the Developer has complied with building permit requirements for the Project.
- Closeout letter from Construction Compliance showing compliance with MBE/WBE, prevailing wage, and City residency requirements.
- Evidence acceptable to DPD that Austin Coming Together is occupying and operating out of the Project.
- Evidence acceptable to DPD that the Jane Addams Resource Corporation space at the Project is occupied and open for business.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the rehabilitation and 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, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.
Those covenants specifically described at Sections 8.02 (Covenant to Redevelop), Sections 8.05 (Ground Lease and Sub-Lease Representations, Warranties and Covenants), 8.19 (Real Estate Provisions), and 8.20 (Annual Compliance Report) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate, provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto,

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds, and

(c) the right to seek reimbursement of the City Funds from Developer

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

8.01 General. The representations and warranties provided by Developer under this Agreement are material conditions precedent to the City's obligations under this Agreement. Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder and throughout the Compliance Period, that:

(a) Each entity comprising Developer is an Illinois not-for-profit corporation duly organized, validly existing and 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 each entity comprising Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its Articles of Incorporation or by-laws as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which such entity is now a party or by which such entity is now or may become bound.

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, WHA shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15 hereof)

(e) Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting Developer which would impair its ability to perform under this Agreement;

(g) Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

(h) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer is bound;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements;

(j) prior to the issuance of a Certificate, Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except for the Ground Lease, the sublease between the QALICB and Prime Tenant, and the sub-subleases from the Prime Tenant to Project sub-subtenants; (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 except in connection with receiving the NMTCs, Lender Financing or other financing needed to complete the Project, provided that the City expressly consents to the guarantees and indemnities entered into by Developer in conjunction with the NMTC Loan, the Senior Loan and/or the other Lender Financing, including, without limitation, (i) a guaranty by Developer of the NMTC Loan, (ii) Developer agreeing to indemnify the investor member of the Investment Fund on account of a recapture or disallowance of the NMTC expected to be claimed by such party), (iii)
an environmental indemnity by Developer for the benefit of the NMTC Lenders and affiliates thereof, and (iv) guarantees and obligations of and under the Lender Financing, 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 the Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except NMTC Loan, Lender Financing, and other financing disclosed in the Project Budget;

(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 pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) neither Developer nor any affiliate of Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term affiliate, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise;

(n) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the Aspire Center Project Account of the TIF Fund, (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(p) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part (except in connection with the Lender
Financing, the enforcement thereof, or in accordance with the terms of Section 16 hereof) and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement, and

(q) The covenants listed in this Section 8 pertaining to transfers, shall not apply to a transfer of ownership interest from WHA to QALICB or to one of Developer’s subsidiaries or affiliates through a quitclaim deed.

8.02 Covenant to Redevelop. Upon DPD’s approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer’s receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section 8.02 shall run with the land and be binding upon any transferee but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

8.04 Use of City Funds. City Funds disbursed to Prime Tenant shall be used by Prime Tenant solely to pay for (or to reimburse Prime Tenant for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Ground Lease and Sub-Lease Representations, Warranties and Covenants. The Developer represents, warrants, and covenants as follows:

(a) as of the date hereof, each of the Ground Lease and the sub-lease from QALICB to Prime Tenant is valid and binding as to WHA, QALICB, and Prime Tenant, as applicable, is in full force and effect, and is either unmodified or modified only by approved Material Amendments and/or amendments that do not constitute Material Amendments;

(b) as of the date hereof, each of the WHA, QALICB, and Prime Tenant has performed all of its current obligations under each of the Ground Lease and the sub-lease from QALICB to Prime Tenant;

(c) Throughout the Term of the Agreement, each of WHA, QALICB, and Prime Tenant (i) shall deliver to DPD a copy of written notice of any change in circumstances of which Developer has knowledge that makes the representations and warranties in this Section 8.05 inaccurate; and (ii) shall comply with its obligations under each of the Ground Lease and the sub-lease from QALICB to Prime Tenant;

(d) Throughout the Term of the Agreement, none of WHA, QALICB, nor Prime Tenant shall (i) execute or consent to a Material Amendment or (ii) sell, sublease, release, assign or otherwise transfer its interest in either the Ground Lease or the sub-lease from QALICB to Prime Tenant.
Tenant, as applicable, except as contemplated by the Ground Lease or the sub-lease from QALICB to Prime Tenant and as consistent with the Occupancy Covenant without the prior written consent of DPD, which consent shall be in DPD’s sole discretion.

The covenants set forth in this Section 8.05 shall run with the land and the leasehold interest and be binding upon any transferee for the Term of the Agreement.

8.06 Occupancy Covenant The Developer will be required to maintain no less than 50% of the net rentable square footage of the Project occupied by operational businesses throughout the Compliance Period.

8.07 Employment Opportunity, Progress Reports Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City monthly written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD’s satisfaction, the manner in which Developer shall correct any shortfall.

8.08 Employment Profile. Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD’s request.

8.09 Prevailing Wage. Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the “Department”), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City’s request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions Unless DPD has given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD’s request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or
controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property or any other aspect of the Project.

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2023 and each year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited Financial Statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14 Insurance. Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15), or

(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.16 Developer's Liabilities. Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of Developer to any other person or entity.
Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, a lien upon Developer or all or any portion of the Property or the Project. Governmental Charge shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option, Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings, and/or
Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) Developer's Failure To Pay Or Discharge Lien If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

8.20 Annual Compliance Report(s). Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report on each anniversary of the Closing Date after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer’s officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant, to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Sustainable Development Policy. The Developer shall provide evidence acceptable to the City that they have complied with the Sustainable Development Policy for the Project within one (1) year after the date of the Certificate. If a default occurs under this Section 8.22, the City shall have the right to reduce the City Funds by $250,000 as described in Section 15.02.

8.23. FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended (“FOIA”). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer
covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City under Section 8.21, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential," then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General’s Office and/or the courts.

(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act.

8.24 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate, and complete at the time of Developer’s execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

8.25 Community Benefits. Developer will cause at least 500 individuals per calendar year to receive training and/or placement services.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City’s execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.
SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Property (collectively, with Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance") Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement...
with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof

10.02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City), provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

"Actual residents of the City" shall mean persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee’s actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee’s name appears on a payroll, the date that the Employer hired the employee should be written in after the employee’s name.

Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the General Contractor and each subcontractor to verify or clarify an employee’s actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver
request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chcagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of 0.0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

Nothing herein provided shall be construed to be a limitation upon the Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246 " and Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

Developer shall cause or require the provisions of this Section 10.02 to be included in the Construction Contract and subcontracts thereof related to the Project.

10.03. MBE/WBE Commitment   Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree to that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "Construction Program," and collectively with the Procurement Program, the AMBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, (and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit E-2 hereto) shall be expended for contract participation by MBEs and by WBEs.

(1) At least 26 percent by MBEs.
(2) At least six percent by WBEs.
(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five (5) years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by Developer, on five Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code, as applicable.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this
Section 10.03 The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report, (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding, (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll, (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Prime Tenant or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. 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 and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than $100,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than $1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. [The City is to be named as an additional insured and loss payee/mortgagee if applicable.]

(b) Construction Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than $500,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than $2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than $2,000,000
per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) **Railroad Protective Liability**

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform. Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than $2,000,000 per occurrence and $6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) **All Risk / Builders Risk**

When Developer undertakes any construction, including improvements, betterments, and/or repairs, Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. [The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable]

(vi) **Professional Liability**

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than $1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) **Valuable Papers**

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the recreation and reconstruction of such records.

(viii) **Contractors Pollution Liability**

When any Remediation Work is performed which may cause a pollution exposure, Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than $1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must
have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction

(i) All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. [The City is to be named as an additional insured and loss payee/mortgagee if applicable.]

(d) Other Requirements.

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago IL 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.
If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

SECTION 13 INDEMNIFICATION

13 01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an Indemnitee," and collectively the "Indemnites") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such 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 in any manner relating or arising out of:

(i) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, including, be not limited to, Section 8 24, or

(ii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement, or

(iii) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer, or

(iv) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the
payment and satisfaction of all indemnified liabilities incurred by the Indemnities or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14 MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by Developer hereunder:

(a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;

(b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts,
whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer, provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings,

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer’s assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer, provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) the entry of any judgment or order against Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution,

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period,

(i) the dissolution of Developer or the death of any natural person who owns a material interest in Developer,

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor);

(k) prior to the end of the Term of the Agreement, the sale or transfer of the ownership interests of Developer without the prior written consent of the City, any sale, transfer, conveyance, lease or other disposition of all, or substantially all of Developer’s assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or as otherwise expressly permitted by this Agreement;

(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,

(m) the failure of Developer to obtain the Certificate prior to the second anniversary of the Closing Date, or

(n) failure of the Developer to submit the Annual Compliance Report to the City within 60 days after each anniversary of the Closing Date during the Compliance Period as provided in Section 8.20.
For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of Developer's membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, and/or seek reimbursement of any City Funds from Prime Tenant that have been paid. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein.

Upon the occurrence of an Event of Default under Section 15.01(n), Prime Tenant shall be obligated to pay to the City the amount of $10,000 as liquidated damages, and not as a penalty, which such payment shall be required no more often than once per calendar year. Any payment of liquidated damages by Developer shall not relieve Developer of its obligation under Section 8.20.

Upon the occurrence of an Event of Default under Section 15.01(n) where the City intends to exercise the remedy to terminate this Agreement, suspend disbursement of City Funds, or reduce any payments under this Agreement, the City shall provide notice and an opportunity to cure as provided in Sections 15.03 and 15.04(b).

Upon the occurrence of an Event of Default because of failure to comply with Section 8.22, Sustainable Development Policy, the City's remedy shall be the right to reduce the amount of City Funds by $250,000.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

15.04 Lender Notice and Cure Right. If Lender Financing is derived from a tax credit investment, including but not limited to the New Markets Tax Credit, then if an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to each of the lenders providing Lender Financing at the
addresses in Section 17, and each of such lenders shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, any party entitled to cure such default may cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such monetary default; and

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such non-monetary default; provided, however, that if such non-monetary default is not reasonably capable of being cured by any lender providing Lender Financing within such 30-day period, such period shall be extended for such reasonable period of time agreed to by the City as may be necessary to cure such default, provided that the party seeking such cure must diligently and continuously prosecute the cure of such default until the same has been cured and, if possession of the Project is necessary to effect such cure, the party seeking such cure must have instituted appropriate legal proceedings to obtain possession to the extent such party has the right to do so.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit B hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, including, but not limited to the NMTC Loan) 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 permit to be recorded against the Property or any portion thereof is referred to herein as a “New Mortgage.” Any New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a “Permitted Mortgage.” It is hereby agreed by and between the City and Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to Developer’s interest in the Property or any portion thereof pursuant to the exercise of rights and remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer’s interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee or Senior Lender, or designee thereof or foreclosure purchaser, shall succeed to Developer’s interest in the Property or any portion thereof or otherwise succeed to Developer’s interest in the collateral provided for such loan, pursuant to the exercise of rights and remedies under an Existing Mortgage or a Permitted Mortgage, or otherwise succeeds to the Developer’s interest in this Agreement, whether by foreclosure or deed in lieu of foreclosure or otherwise, and in conjunction therewith accepts an assignment of Developer’s interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to
and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer", provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if Senior Lender or such mortgagee under a Permitted Mortgage or an Existing Mortgage or designee thereof or foreclosure purchaser does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD

SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified mail, return receipt requested

<table>
<thead>
<tr>
<th>If to the City</th>
<th>If to Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</td>
<td>Westside Health Authority 5417 West Division Street Chicago, IL 60651 Attention: Morris Reed, Chief Executive Officer Email: <a href="mailto:mreed@healthauthority.org">mreed@healthauthority.org</a></td>
</tr>
<tr>
<td></td>
<td>Austin Coming Together 5049 West Harrison Street Chicago, IL 60644 Attention: Darnell Shields, Executive Director Email: <a href="mailto:dshields@austincomingtogether.org">dshields@austincomingtogether.org</a></td>
</tr>
<tr>
<td></td>
<td>Aspire Center Development Corporation NFP c/o Westside Health Authority 5417 West Division Street Chicago, IL 60651 Attention: Morris Reed, Chief Executive Officer Email: <a href="mailto:mreed@healthauthority.org">mreed@healthauthority.org</a></td>
</tr>
</tbody>
</table>
Aspire Center Development Corporation  
NFP  
c/o Austin Coming Together  
5049 West Harrison Street  
Chicago, IL 60644  
Attention: Darnell Shields, Executive Director  
Email: dshields@austincomingtogether.org

Aspire Center QALICB NFP  
c/o Westside Health Authority  
5417 West Division Street  
Chicago, IL 60651  
Attention: Morris Reed, Chief Executive Officer  
Email: mreed@healthauthority.org

Aspire Center QALICB NFP  
c/o Austin Coming Together  
5049 West Harrison Street  
Chicago, IL 60644  
Attention: Darnell Shields, Executive Director  
Email: dshields@austincomingtogether.org

With a copy to:

Applegate & Thorne-Thomsen, P.C.  
425 S Financial Place, Suite 1900  
Chicago, Illinois 60605  
Attention: Nicholas J. Brunick  
Facsimile: 312-491-4411  
Email: nbrunick@att-law.com

With Copies To:

City of Chicago  
Department of Law  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attention: Finance and Economic Development Division

With Copies To:

City of Chicago  
Department of Law  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attention: Finance and Economic Development Division

If to Senior Lender:

JPMorgan Chase Bank, N.A  
Chase Tower/Mail Code IL 1-0953
10 South Dearborn Street
Chicago, Illinois 60603
Attn: John D. Bernhard

With Copies To

Kutak Rock LLP
8601 N. Scottsdale Road, Suite 300
Scottsdale, Arizona 85253
Attn: Heather Aeschleman

IFF

CCLF

ECLF

If to NMTC Lenders:

CNMC Sub-CDE [___], LLC
c/o JPMorgan Chase Bank, N A
Mail Code IL 1-0953
10 S. Dearborn Street, 19th Floor
Chicago, IL 60603
Attention: NMTC Asset Manager
Email: nmtc.reporting@chase.com

CDF Suballocatee [___], LLC
c/o Chicago Development Fund, c/o Department of Planning and Development, City of Chicago, 121 North LaSalle Street, Room 1000, Chicago, Illinois 60602
Attention: Commissioner, Department of Planning and Development
Facsimile: (312) 747-9207
Attention: Managing Deputy Commissioner for Bureau of Economic Development
Department of Planning and Development

Cinnaire CDE [___], LLC

BH New Markets Sub-CDE [___], LLC

ENMP [___], LP
With Copies To:

Dentons US LLP
233 South Wacker Drive, Suite 5900
Chicago, Illinois 60606
Attention: Jonathan M Kaden
Email: jonathan.kaden@dentons.com

and

If to Senior Lender:

JPMorgan Chase Bank, N.A.
Chase Tower/Mail Code IL 1-0953
10 South Dearborn Street
Chicago, Illinois 60603
Attn: John D. Bernhard

IFF
333 S. Wabash Avenue, Suite 2800
Chicago, Illinois 60604
Attention: Charlie Biggam
Email: cbiggam@iff.org

ECLF

With Copies To:

JPMorgan Chase Bank, N.A.
4 New York Plaza, 19th Floor
Mail Code, NY1-E092
Attn: CDRE Counsel
New York, NY 10004

And
Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "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 [ninety (90)] days.

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.
18.05 **Waiver.** Waiver by the City or Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 **Remedies Cumulative.** The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 **Disclaimer.** Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18.08 **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

18.09 **Severability.** If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.10 **Conflict.** In the event of a conflict between any provisions of this Agreement and/or the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

18.11 **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

18.12 **Form of Documents.** All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

18.13 **Approval.** Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 **Assignment.** Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. The City hereby consents
to the execution and delivery of a Collateral Assignment in favor of any lender holding Lender Financing. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 Real Estate Provisions and 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 **Binding Effect.** This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.16 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 **Business Economic Support Act.** Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.18 **Venue and Consent to Jurisdiction.** If there is a lawsuit under this Agreement, each party may hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

18.19 **Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any
anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18 20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code) (a “Financial Interest”), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby.

Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.
IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

AUSTIN COMING TOGETHER, an Illinois not-for-profit corporation

By: ________________________________
Name: Darnell Shields
Title: Executive Director

WESTSIDE HEALTH AUTHORITY, an Illinois not-for-profit corporation

By: ________________________________
Name: Moms Reed
Title: Chief Executive Officer

[PRIME TENANT]

By: ________________________________
Name: ________________________________
Title: ________________________________

[QALICB]

By: ________________________________
Name: ________________________________
Title: ________________________________

CITY OF CHICAGO

By: ________________________________
Commissioner
Department of Planning and Development
State of Illinois )
 ) SS.
County of Cook )

I, _______________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Damell Shields, personally known to me to be the Executive Director of Austin Coming Together, an Illinois not-for-profit corporation ("ACT"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of ACT, 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 ____ day of ______________, 2023.

__________________________
Notary Public

My Commission Expires ___________

(SEAL)

State of Illinois )
 ) SS.
County of Cook )

I, _______________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Morris Reed, personally known to me to be the Executive Officer of Westside Health Authority, an Illinois not-for-profit corporation ("WHA"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of WHA, 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 ____ day of ______________, 2023.

__________________________
Notary Public

(SEAL)  
My Commission Expires ___________
State of Illinois )
) SS.
County of Cook )

I, ______________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that ___________________, personally known to me to be the _______________________ of _______________________, an Illinois not-for-profit corporation (the "Prime Tenant"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of Prime Tenant, 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 ___ day of ______________, 2023.

________________________________
Notary Public

My Commission Expires __________

(SEAL)

State of Illinois )
) SS.
County of Cook )

I, ______________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that ___________________, personally known to me to be the _______________________ of _______________________, an Illinois not-for-profit corporation (the "QALICB"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of QALICB, 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 ___ day of ______________, 2023.
(Sub)Exhibit "A" referred to in this Aspire Center Redevelopment Agreement unavailable at time of printing.

(Sub)Exhibits "B", "C", "D", "E-1", "E-2" and "F" referred to in this Aspire Center Redevelopment Agreement read as follows:
(Sub)Exhibit “B”.
(To Aspire Center Redevelopment Agreement)

Property.

(Subject To Survey And Title Insurance)

That part of the south 9 feet of Lot 13, together with that part of Lots 14 to 19 and Lots 30 to 48 together with that part of the vacated alley adjoining said lots in Block 6 in Craft's Addition to Austinville, a subdivision of the west 36½ acres of the south 43¾ acres of the west half of the southwest quarter, Section 9, Township 39 North, Range 13, East of the Third Principal Meridian, recorded March 29, 1871, as Document 89072 and rerecorded April 3, 1878, as Document Number 174822, described as follows: commencing at the intersection of North Central Avenue and West Madison Street, as monumented and occupied; thence north 01 degree, 53 minutes, 28 seconds west along the east line of North Central Avenue, 153.83 feet to the point of beginning; thence north 01 degree, 53 minutes, 28 seconds west along the east line of North Central Avenue, 165.17 feet; thence north 88 degrees, 35 minutes, 30 seconds east along the north line of the south 9.00 feet of Lot 13, 197.51 feet; thence north 01 degree, 53 minutes, 28 seconds west, 66.00 feet; thence north 88 degrees, 35 minutes, 30 seconds east, 177.50 feet; thence south 01 degree, 53 minutes, 28 seconds east along the west line of North Pine Avenue, 385.00 feet; thence south 35 degrees, 35 minutes, 30 seconds west along a line parallel with the north line of West Madison Street, 225.25 feet; thence north 01 degree, 53 minutes, 28 seconds west along the west line of North Central Avenue, 96.42 feet; thence north 09 degrees, 38 minutes, 56 seconds east, 58.50 feet; and thence south 88 degrees, 35 minutes, 30 seconds west along a line parallel with the north line of West Madison Street, 161.45 feet to the point of beginning, all in Cook County, Illinois.

(Sub)Exhibit “C”.
(To Aspire Center Redevelopment Agreement)

TIF-Funded Improvements*.

Acquisition Costs: $ 0

Hard Costs:

Site Preparation/Excavation 424,318

* Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed the lesser of $12,250,000 or 29.91 percent of the Project Budget.
<table>
<thead>
<tr>
<th>Environmental Remediation</th>
<th>932,184</th>
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<tbody>
<tr>
<td>Building Construction</td>
<td>25,500,000</td>
</tr>
<tr>
<td>Interiors</td>
<td>773,460</td>
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<tr>
<td>Total Hard Costs:</td>
<td>27,629,962</td>
</tr>
<tr>
<td>Total:</td>
<td>$27,629,962</td>
</tr>
</tbody>
</table>

(Sub)Exhibit "D".
(To Aspire Center Redevelopment Agreement)

Permitted Liens.

1. Liens Or Encumbrances Against The Property:

Those matters set forth as Schedule B title exceptions in the owner’s title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any (provided that Prime Tenant is providing a lien against its assets to Senior Lender as collateral in connection with a Senior Loan):

None.

(Sub)Exhibit "E-1".
(To Aspire Center Redevelopment Agreement)

Project Budget.

Acquisition Costs: $ 0

Hard Costs:

- Site Preparation/Excavation 424,318
- Environmental Remediation 932,184
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
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<td>25,500,000</td>
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<tr>
<td>Hard Cost Contingency</td>
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<tr>
<td><strong>Total Hard Costs:</strong></td>
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<td>Soft Costs/Fees:</td>
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<tr>
<td>Architecture and Engineering</td>
<td>$1,158,752</td>
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<td>Survey/Title/Appraisal</td>
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<td>Financing and Accounting</td>
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<td><strong>Total:</strong></td>
<td><strong>$40,925,847</strong></td>
</tr>
</tbody>
</table>

(Sub)Exhibit "E-2".
(To Aspire Center Redevelopment Agreement)

MBE/WBE Budget.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Preparation/Excavation</td>
<td>$424,318</td>
</tr>
<tr>
<td>Environmental Remediation</td>
<td>932,184</td>
</tr>
</tbody>
</table>
Building Construction: 25,500,000
Interiors: 773,460
Hard Cost Contingency: 2,853,835
Total Hard Costs: $32,995,892

Soft Costs/Fees:
Architecture and Engineering: 1,158,752
Survey/Title/Appraisal: 79,976
Total Soft Costs: $1,238,728

Total: $34,234,620
Project MBE Total at 26 percent: $8,901,001
Project WBE Total at 6 percent: $2,054,077

(Sub)Exhibit "F":
(To Aspire Center Redevelopment Agreement)
Requisition Form.

State of Illinois )
) SS.
County of Cook )

The affiant, _________________, _________________ of _________________, a not-for-profit corporation _________________ (the "Prime Tenant"), hereby certifies that with respect to that certain Aspire Center Redevelopment Agreement between Developer and the City of Chicago dated __________, 2023 (the "Agreement"):

A. Expenditures for the Project, in the total amount of $__________, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

$__________
C. Developer requests reimbursement for the following cost of TIF-Funded Improvements:

$__________

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and Developer is in compliance with all applicable covenants contained herein.

2. No Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

[Prime Tenant]

By: __________________________

Name

Title: __________________________

Subscribed and sworn before me this ______ day of ________________ ______.

____________________________________

My commission expires: ______________

Agreed and Accepted:

____________________________________

Name: ______________________________

Title: Commissioner,
City of Chicago, Department of Planning and Development
REDEVELOPMENT AGREEMENT WITH AND PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO 4715 N WESTERN OWNER LLC FOR DEVELOPMENT OF AFFORDABLE HOUSING AT 4713 N. WESTERN AVE.

[O2023-1606]

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance concerning the authority to enter into and execute a redevelopment agreement regarding the sale of property, and provision of various financing of Tax Increment Financing (TIF) funds for the development of affordable housing at 4713 North Western Avenue, located in the 47th Ward (O2023-1606), in the amount of $12,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.
The following is said ordinance as passed:

WHEREAS, By virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the “Constitution”), the City of Chicago (the “City”) is a home rule unit of local government and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, The City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City’s Department of Housing (”DOH”); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to 4715 N Western Owner LLC, an Illinois limited liability company (the “Borrower”), of which 4715 N Western MM LLC, an Illinois limited liability company, is the manager and member, of which The Community Builders, Inc., a Massachusetts nonprofit corporation (the “Sponsor”), is the controlling member, in an amount not to exceed $8,296,375 or as otherwise permitted on Exhibit A attached hereto and made a part hereof (“Affordable Housing Loan 1”), a loan or grant in an amount not to exceed $3,716,884 or as otherwise permitted on Exhibit A hereto (“Affordable Housing Loan 2”), and a loan or grant in an amount not to exceed the amount of the Additional City Funds, as such term is defined in Exhibit A hereto (“Affordable Housing Loan 3”, and collectively with Affordable Housing Loan 1 and Affordable Housing Loan 2, the “Loans”), each to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in Exhibit A hereto; and

WHEREAS, Pursuant to an ordinance (the “Approval Ordinance”) adopted by the City Council of the City (the “City Council”) on January 12, 2000, and published at pages 22395 -- 22494 of in the Journal of Proceedings of the City Council of the City of Chicago for such date (the “Journal”), a certain redevelopment plan and project (the “Plan”) for the Western Avenue North Redevelopment Project Area (the “Area”) was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the “Act”); and

WHEREAS, Pursuant to an ordinance (the “Designation Ordinance”) adopted by the City Council on January 12, 2000, and published at pages 22495 -- 22507 of the Journal of such date, the Area was designated as a redevelopment project area pursuant to the Act; and
WHEREAS, Pursuant to an ordinance (the “Adoption Ordinance”) adopted by the City Council on January 12, 2000, and published at pages 22507 -- 22521 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, The Approval Ordinance, Designation Ordinance and Adoption Ordinance were amended pursuant to a certain ordinance (the “Amending Ordinance”, and together with Approval Ordinance, Designation Ordinance and Adoption Ordinance, the “TIF Ordinance”) adopted by the City Council on May 17, 2000, and published at pages 31610 -- 31706 of the Journal of such date; and

WHEREAS, The City owns the real property generally located at 4713 North Western Avenue situated at the northeast corner of Western and Leland Avenues in the Lincoln Square neighborhood, consisting of 0.42 acre, as legally described on Exhibit B attached hereto (the “Property”); and

WHEREAS, The appraised fair market value of the Property is Four Million Nine Hundred Twenty-five Thousand and no/100 Dollars ($4,925,000.00) as of August 30, 2022, and the Borrower has submitted a proposal to DOH, pursuant to which the City would convey the Property for $1.00 per tax parcel to TCB Development Services LLC, an Illinois limited liability company (“TCBDS”), whose sole member is the Sponsor, who would then immediately convey the Property to the Borrower at its fair market value for use in the Project; and

WHEREAS, The Project is necessary for the redevelopment of the Area; and

WHEREAS, The City has established the Community Development Commission (the “Commission”) to, among other things, designate redevelopment areas, approve redevelopment plans, recommend the sale of parcels located in redevelopment areas, and designate the developers of certain redevelopment, all subject to the approval of the City Council; and

WHEREAS, Pursuant to its Resolution 22-CDC-49 adopted by the Commission on September 13, 2022, the Commission authorized DOH to advertise its intent to negotiate the sale and redevelopment of the Property with the Borrower and to request alternative proposals, and recommended the following: the sale of the Property to the Borrower, the designation of the Borrower and TCBDS as the developer for the Project and the authorization to negotiate on behalf of the City the Redevelopment Agreement, if no responsive alternative proposals were received at the conclusion of the advertising period, or if alternative proposals were received, if DOH determines in its sole discretion that the Borrower’s proposal is the best proposal; and

WHEREAS, By a resolution adopted on November 17, 2022, the Chicago Plan Commission approved the disposition of the Property; and
WHEREAS, Public notices advertising the City's intent to enter into a negotiated sale of
the Property with the Borrower and requesting alternative proposals appeared in the
Chicago Tribune on September 22, 2022, September 29, 2022 and October 6, 2022; and

WHEREAS, No other responsive proposals were received by the deadline set forth in
the aforesaid notices; and

WHEREAS, The Illinois General Assembly, pursuant to 20 ILCS 3805/728 (as
supplemented, amended and restated from time to time), has authorized a program
allowing the allocation of certain tax credits for qualified donations made in connection
with affordable housing projects (the "Donation Tax Credit Program"); and

WHEREAS, Pursuant to an ordinance adopted on October 11, 2017 and published in
the Journal for such date at pages 55903 through 55915, inclusive, as amended by an
ordinance passed by the City Council on January 18, 2023 and published in the
Journal for such date at pages 59125 through 59143, inclusive, the City Council authorized
the Sales Tax Securitization Corporation to issue taxable bonds (the "STSC Bonds") with
the expectation that the proceeds of the STSC Bonds, when issued, will reimburse the
Corporate Funds used for, among other things, improving the quality of housing through
various rehabilitation and housing redevelopment programs; now, therefore,

Be It Ordained by the City Council of the City of Chicago, as follows:

SECTION 1. The above recitals are expressly incorporated in and made a part of this
ordinance as though fully set forth herein.

SECTION 2. Upon the approval and availability of the Additional Financing as shown in
Exhibit A hereto, the Commissioner of DOH (the "Commissioner") and a designee of the
Commissioner (collectively, the "Authorized DOH Officer") are each hereby authorized,
subject to approval by the Corporation Counsel, to enter into and execute such
agreements and instruments, and perform any and all acts as shall be necessary or
advisable in connection with the implementation of each Loan. The Authorized DOH
Officer is hereby authorized, subject to the approval of the Corporation Counsel, to
negotiate any and all terms and provisions in connection with each Loan which do not
substantially modify the terms described in Exhibit A hereto. Upon the execution and
receipt of proper documentation, the Authorized DOH Officer is hereby authorized to
disburse the proceeds of each Loan to the Borrower.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the
Municipal Code of Chicago (the "Municipal Code"), or part thereof, is in conflict with the
provisions of this ordinance, the provisions of this ordinance shall control. If any section,
paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such
section, paragraph, clause or provision shall not affect any of the other provisions of this
ordinance.

SECTION 4. The Borrower and TCBDS is hereby designated as the developer for the
Project pursuant to Section 5/11-74.4-4 of the Act.
SECTION 5. Upon the approval and availability of the Additional Financing, the City is hereby authorized, with the approval of the City’s Corporation Counsel as to form and legality, to negotiate, execute and deliver the Redevelopment Agreement and such other supporting documents as may be necessary to carry out and comply with the provisions of such agreements, with such changes, deletions and insertions as shall be approved by the persons executing such agreements. The Redevelopment Agreement shall be in substantially the form attached hereto as Exhibit C and made a part hereof and hereby approved with such changes therein as shall be approved by the Commissioner of DPD (the “DPD Commissioner”) or a designee of the DPD Commissioner executing the same (collectively, the “Authorized DPD Officer”), with such execution to constitute conclusive evidence of such Authorized DPD Officer’s approval of any changes or revisions from the form of Redevelopment Agreement attached to this ordinance.

SECTION 6. The City Council hereby finds that the City is authorized to pay an aggregate amount not to exceed $12,000,000 (“City TIF Funds”) from Incremental Taxes deposited in the general account of the TIF Fund (the “General Account”) to the Borrower and TCBDS to finance a portion of costs included within the Project and eligible under the Act, including securing any portion of the Additional Financing. The proceeds of the City TIF Funds are hereby appropriated for the purposes set forth in this Section 6.

SECTION 7. Pursuant to the TIF Ordinance, the City has created the TIF Fund. The Chief Financial Officer, as defined in Section 1-4-090(k) of the Municipal Code (or his or her designee), is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City’s Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Area shall be deposited into the TIF Fund. The City shall use the funds in the TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

SECTION 8. The conveyance of the Property to TCBDS or another entity acceptable to the Authorized DOH Officer for $1.00 per tax parcel is hereby approved. The Mayor of the City is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to TCBDS or another entity acceptable to the Authorized DOH Officer, subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

SECTION 9. The City hereby approves the conveyance of the Property as a donation to TCBDS or another entity acceptable to the Authorized DOH Officer from the City under the Donation Tax Credit Program in connection with the Project. The Authorized DOH Officer, as hereinafter defined, is hereby authorized to transfer the tax credits received by the City, if any, under the Donation Tax Credit Program in connection with the conveyance of the Property to an entity satisfactory to the Authorized DOH Officer on such terms and conditions as are satisfactory to the Authorized DOH Officer (the “Transfer”). The proceeds, if any, received by the City in connection with the Transfer are hereby appropriated, and the Authorized DOH Officer is hereby authorized to use such proceeds to make a grant to TCBDS or another entity acceptable to the Authorized DOH Officer, in their sole discretion (the “Grantee”), for use in connection with the Project (the “Grant”).
The Grantee may loan or contribute the proceeds of the Grant to the Borrower for use in connection with the Project, and any such loan may be secured by a lien on the Property, which lien may be subordinated as described in Exhibit A. The Authorized DOH Officer is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Transfer and the Grant. Upon the execution and receipt of proper documentation, the Authorized DOH Officer is hereby authorized to disburse the proceeds of the Grant to the Grantee.

SECTION 10. Upon the approval and availability of the Additional Financing, the Authorized DOH Officer is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loans and the Additional City Funds Grant (as such term is defined on Exhibit A hereto). The Authorized DOH Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loans and the Additional City Funds Grant which do not substantially modify the respective terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized DOH Officer is hereby authorized to disburse the proceeds of the Loans and the Additional City Funds Grant to the Borrower.

SECTION 11. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. Sections 2-44-080, 2-44-085, 2-44-090, 2-44-100 and 2-44-105 of the Municipal Code shall not apply to the Project or the Property.

SECTION 12. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibits "A", "B" and "C" referred to in this ordinance read as follows:

Exhibit "A".
(To Ordinance)

Project And Financing.

Borrower: 4715 N Western Owner LLC, an Illinois limited liability company (the "Borrower"), of which 4715 N Western MM LLC, an Illinois limited liability company, is the manager and a member ("Managing Member"), of which The Community Builders, Inc., a Massachusetts nonprofit corporation, is the controlling member ("Sponsor").
Acquisition, construction, and equipping of low- and moderate-income residential facilities and related common facilities at approximately 4713 North Western Avenue in Chicago, Illinois (the “Property) and consisting of 63 affordable rental units, 21 of which will be reserved for tenants with incomes at or below 30 percent of area median income, 21 of which will be reserved for tenants with incomes at or below 60 percent of area median income and 21 of which will be reserved for tenants with incomes at or below 80 percent of area median income (together with related common areas along with parking lot facilities, commercial space, the “Project”).

Affordable Housing Loans:

Affordable Housing Loan 1:

Source: Multi-Family Program Funds, STSC Bonds proceeds or another source acceptable to the Authorized DOH Officer.

Amount: Not to exceed $8,296,375.

Term: Not to exceed 40 years.

Interest: Zero percent per annum or such other rate or rates acceptable to the Authorized DOH Officer.

Security: Non-recourse loan(s); mortgage on the Property junior to the Senior Mortgage (“City Mortgage 1”).

Affordable Housing Loan 2:

Source: Multi-Family Program Funds, STSC Bonds proceeds or another source acceptable to the Authorized DOH Officer.

Amount: Not to exceed $3,716,884.

Term: Not to exceed 40 years.

Interest: Two percent per annum or such other rate or rates acceptable to the Authorized DOH Officer.

Security: Non-recourse loan(s); mortgage on the Property junior to the Senior Mortgage (“City Mortgage 2”).
Alternate Structure: If so determined by the Authorized DOH Officer, the City may provide a grant for all or a portion of the amount of Affordable Housing Loan 2 to the Borrower, Managing Member, Sponsor or another entity affiliated with the Borrower. Repayment of such grant may or may not be secured by a mortgage on the Property with the same lien position as City Mortgage 2 and/or such other security acceptable to the Authorized DOH Officer.

Alternate Amounts: If Borrower and Sponsor have not completed construction of the Project by November 15, 2024 and consequently are not eligible for reimbursement for the full amount of the City TIF Funds, then the City may provide an amount that is the lesser of $5,000,000 or the difference between (a) $10,000,000 and (b) (i) the amount of TIF Funds already reimbursed by the City as of November 15, 2024 plus, (ii) the amount of reimbursement the City provides for TIF costs incurred by November 15, 2024 funded from the Multi-Family Program Funds, STSC Bonds proceeds or another source acceptable to the Authorized DOH Officer (the "Additional City Funds") in the form of the following options, as determined in the sole discretion of the Authorized DOH Officer: (i) increase the principal amount of both or one of Affordable Housing Loan 1 and Affordable Housing Loan 2 in the total aggregate amount of the Additional City Funds; (ii) provide a third non-recourse loan ("Affordable Housing Loan 3") in the maximum principal amount of the Additional City Funds, with the same maturity date as Affordable Housing Loan 1 and Affordable Housing Loan 2, with the same interest rate as Affordable Housing Loan 1 or Affordable Housing Loan 2, or such other rate or rates acceptable to the Authorized DOH Officer, and secured by a mortgage on the Property junior to the Senior Mortgage ("City Mortgage 3", and collectively with City Mortgage 1 and City Mortgage 2, the "City Mortgages"); (iii) a grant to TCBDS, or an entity affiliated with TCBDS, in the amount of the Additional City Funds on the same terms as the City TIF Funds as set forth in the Redevelopment Agreement (the "Additional City Funds Grant"); or (iv) a grant for all or a portion of the amount of Affordable Housing Loan 3 to the Borrower, Managing Member, TCBDS or an entity affiliated with TCBDS. Repayment of such grant may or may not be secured by a mortgage on the Property with the same lien position as City Mortgage 3 and/or such other security acceptable to the Authorized DOH Officer.
Additional Financing.

1. Senior Loan:
   - Amount: Approximately $15,910,000, or such other amount acceptable to the Authorized DOH Officer, during the construction period, and approximately $3,900,000, or such other amount acceptable to the Authorized DOH Officer, after conversion of the Senior Loan to permanent financing.
   - Source: CIBC Bank USA, an Illinois state chartered bank, or such other lender acceptable to the Authorized DOH Officer.
   - Term: Not to exceed 36 months during the construction period, and then not to exceed 40 years after the conversion to permanent financing.
   - Interest: Not to exceed 12 percent per annum, except for default interest, or such other rate acceptable to the Authorized DOH Officer.
   - Security: A mortgage lien on the Property ("Senior Mortgage") senior to the lien of the City Mortgages.

2. TIF Proceeds Loan*:
   - Amount: Not to exceed $12,000,000.
   - Source: From available incremental taxes from the City of Chicago Western Avenue North Redevelopment Project Area.
   - Term: Not to exceed 40 years.
   - Interest: Approximately 4 percent per annum or such other rate acceptable to the Authorized DOH Officer.
   - Security: A mortgage lien on the Property junior to the lien of the Senior Mortgage and City Mortgages or as otherwise acceptable to the Authorized DOH Officer.

3. Donations Tax Credit Proceeds Loan*:
   - Amount: Approximately $2,139,865 or such other amount acceptable to the Authorized DOH Officer.
Term: Not to exceed 40 years.

Source: From proceeds derived from transfer of Illinois Affordable Housing Tax Credits allocated by the City in the approximate amount of $2,462,500.

Interest: Approximately 4 percent per annum or such other rate acceptable to the Authorized DOH Officer.

Security: A mortgage lien on the Property junior to the lien of the Senior Mortgage and City Mortgages or as otherwise acceptable to the Authorized DOH Officer.

4. ComEd Grant Proceeds Loan:

Amount: Approximately $142,415 or such other amount acceptable to the Authorized DOH Officer.

Source: From the proceeds of a grant funded by the ComEd Energy Efficiency Program.

Term: Not to exceed 40 years.

Interest: 4 percent per annum or such other rate acceptable to the Authorized DOH Officer.

Security: A mortgage lien on the Property junior to the lien of the Senior Mortgage and City Mortgages or as otherwise acceptable to the Authorized DOH Officer.

5. New Hope Arc Benefit Chicago Construction Bridge Loan:

Amount: Approximately $2,000,000 or such other amount acceptable to the Authorized DOH Officer.

Source: New Hope Community Capital, Inc. or another entity acceptable to the Authorized DOH Officer.

* The TIF Proceeds Loan, the Donations Tax Credit Proceeds Loan, and the ComEd Grant Proceeds Loan may be combined and may be documented as either a single loan or as multiple loans.
Term: Not to exceed 36 months.

Interest: Approximately 6.5 percent or such other rate acceptable to the Authorized DOH Officer.

Security: A mortgage lien on the Property junior to the lien of the Senior Mortgage and City Mortgages or as otherwise acceptable to the Authorized DOH Officer.

6. Seller Financing:

Amount: Approximately $4,925,000, which may be adjusted up to the fair market value as determined by an appraisal of the Property prior to closing, or such other amount acceptable to the Authorized DOH Officer.

Term: Not to exceed 40 years.

Source: Seller financing from TCB Development Services LLC, or another entity acceptable to the Authorized DOH Officer.

Interest: Approximately 4 percent or another rate acceptable to the Authorized DOH Officer, in no event less than the Applicable Federal Rate the month of closing.

Security: Mortgage on the Property junior to the lien of the City Mortgages or as otherwise acceptable to the Authorized DOH Officer.

7. Equity:

Amount: Approximately $14,583,083, or such other amount to which the Authorized DOH Officer may consent, all or a portion of which may be paid on a delayed basis, and all or a portion of which may be used to repay the Senior Loan.

Source: To be derived from the syndication of low-income housing tax credits allocated by the City.

8. Managing Member Contribution:

Amount: Approximately $100.

Source: Managing Member.
Legal Description Of Property (subject to final title commitment and survey):

Lots 101 through 107 and the south 16 feet of Lot 108 in P.J. Sexton’s Addition to Chicago, said addition being a subdivision of that part of the northwest quarter of the northwest quarter lying west of Lincoln Avenue, in Section 18, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Addresses:

4717 North Western Avenue;
4731 North Western Avenue;
4729 North Western Avenue;
4727 North Western Avenue;
4725 North Western Avenue; and
4723 North Western Avenue.

Permanent Index Numbers:

14-18-100-030;
14-18-100-011;
14-18-100-012;
14-18-100-013;
14-18-100-014; and
14-18-100-015.
Exhibit "C".
(To Ordinance)

4715 North Western Apartments Redevelopment Agreement.

This 4715 N. Western Apartments Redevelopment Agreement (this "Agreement") is made as of this _____ day of _______, 2023, by and between the City of Chicago, an Illinois municipal corporation (the "City"), acting by and through its Department of Planning and Development ("DPD"), 4715 N Western Owner LLC, an Illinois limited liability company (the "Owner"), and TCB Development Services LLC, an Illinois limited liability company ("TCBDS"). The Owner and TCBDS may collectively be referred to hereinafter as the "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, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. **Statutory Authority:** The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. **City Council Authority:** To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances: (1) on January 12, 2000, "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Western Avenue North Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2) on January 12, 2000, "An Ordinance of the City of Chicago, Illinois Designating Western Avenue North Redevelopment Project Area a Redevelopment Project Area Pursuant to The Tax Increment Allocation Redevelopment Act;" (3) on January 12, 2000, "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for Western Avenue North Project Area;" and
(4) on May 17, 2000, "An Ordinance of the City of Chicago, Illinois Approving Amendment No. 1 To Western Avenue North Tax Increment Financing Redevelopment Plan and Project" (the "First Plan Amendment"); (items (1) - (4) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. Sale of City Parcels. The City owns property located partially within the Redevelopment Area generally at 4713 North Western Avenue, Chicago, Illinois 60625 and legally described on Exhibit B hereto (the "Property") that the City desires to be redeveloped. TCBDS intends to purchase the Property for $6 from the City (the "Acquisition").

E. The Project: Within the time frames set forth in Section 3.01 hereof, Developer shall commence and complete construction of an approximately 88,218 square foot apartment building (the "Facility") thereon. The Facility will provide 63 housing units of which 100 percent will be affordable for households earning no more than 80 percent of the area median income. The ground floor and a portion of the second floor will be devoted to residential amenities, common elements, parking, and commercial facilities. The 63 units of affordable housing will be a mix of 25 studio units, 29 one-bedroom units and 9 two-bedroom units. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Western Avenue North Tax Increment Financing Redevelopment Plan and Project, as amended (the "Redevelopment Plan") included in the Plan Adoption Ordinance and published at pages 22398-22478 of the Journal of the Proceedings of the City Council for January 12, 2000, as amended by the First Plan Amendment and as it may be further amended.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date, the proceeds of which (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 mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

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(An asterisk (*) indicates which exhibits are to be recorded.)

SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"Act" shall have the meaning set forth in the Recitals hereof.

"Actual Residents of the City" shall have the meaning set forth in Section 10.02(c) hereof.

"Acquisition" shall have the meaning set forth in the Recitals hereof.
"Additional Non-TIF City Funds" shall mean the additional funding from the City's Multi-Family Program Funds that the City will provide if Developer fails to complete construction of the Project by the TIF Reimbursement Deadline and delivers a Letter of Credit Request by December 2, 2024 in accordance with 4.03(c). Such funds will be used solely to reimburse costs of TIF-Funded Improvements.

"Additional Non-TIF City Funds Amount" shall mean the amount that is the lesser of $5,000,000 or the difference between (a) $10,000,000 and (b) (i) the amount of City Funds already reimbursed by the City as of the TIF Reimbursement Deadline plus (ii) the amount the reimbursement the City provides for TIF-Funded Improvements the Developer has incurred by the TIF Reimbursement Deadline, subject to Section 7.01 hereof.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with Developer.

"AIS" shall mean the City's Department of Assets, Information and Services.

"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 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 8.14); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (4) a jobs report detailing the following information for each employee: full-time or part-time status, zip code of their primary residency; total employment tenure in months; and wages above or below the living wage, as defined for that year; and (5) compliance with all other executory provisions of the Agreement.

"Architect's Certificate" shall mean the certificate of the Developer's architect as to the percentage completion of the construction of the Project (based on the amount of expenditures incurred in relation to the Project Budget) as required by Section 4.03(d) hereof.

"Appraised Value" has the meaning set forth in Section 3.13(a).

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes (as defined below) deposited in the TIF Fund attributable to the taxes levied on the Redevelopment Area as adjusted to reflect the amount of the TIF District Administration Fee described in Section 4.05(c) hereof and not pledged to the Prior Obligations.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

"Certificate" shall mean the Certificate of Completion of Construction described in Section 7.01 hereof.
"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"City Contract" shall have the meaning set forth in Section 8.01(1) hereof.

"City Council" shall have the meaning set forth in the Recitals hereof.

"City Funds" shall mean the funds described in Section 4.03(b) hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Collateral Assignment" shall mean a collateral assignment of the Owner’s and TCBDS’ respective interests in this Agreement, such collateral assignment to be made by Owner and/or TCBDS to secure Lender Financing, in form and substance acceptable to the City in its sole discretion; provided, such collateral assignment cannot be exercised until the lender provides the certification required by Section 18.14 hereof and the assignee assumes all of the obligations of the Owner and TCBDS under this Agreement.

"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165, as amended from time to time, that are subject to regulation under any Environmental Law.

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, to be entered into between Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" shall mean the City’s Department of Law.

"Deed" shall have the meaning set forth in Section 3.13.

"Developer Parties" has the meaning set forth in Section 11.4.

"DOH" shall mean the City’s Department of Housing.

"EDS" shall mean the City’s Economic Disclosure Statement and Affidavit, on the City’s then-current form, whether submitted in paper or via the City’s online submission process.

"Employer(s)" shall have the meaning set forth in Section 10 hereof.

"Employment Plan" shall have the meaning set forth in Section 5.12 hereof.
"Environmental Documents" shall mean all reports, surveys, field data, correspondence and analytical results prepared by or for the Developer (or otherwise obtained by the Developer) regarding the condition of the Property or any portion thereof, including, without limitation, the SRP Documents.

"Environmental Laws" shall mean any federal, state, or local law, statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or aboveground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.; the Gasoline Storage Act, 430 ILCS 15/0.01 et seq.; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago; the Municipal Code; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

"Environmental Performance Deposit" means a dollar amount equal to $[222,000] as security for the performance of the Developer's obligations under Section 11 of this Agreement and described in Sections 11.03 and 4.03(d) hereof. The Environmental Escrow may be contained within the Escrow described below and governed by the Escrow Agreement.

"Equity" shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

"Escrow" shall mean the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City, the Title Company (or an affiliate of the Title Company), one or more Developer parties and Developer's lender(s), substantially in the form of Exhibit F attached hereto.

"Event of Default" shall have the meaning set forth in Section 15 hereof.

"Facility" shall have the meaning set forth in the Recitals hereof.

"Final Comprehensive Residential NFR Letter" shall mean a final comprehensive residential "No Further Remediation" letter issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the site plan
approved by the City and the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final Comprehensive Residential NFR Letter shall state that the Property meets remediation objectives for residential properties and the construction worker exposure route as set forth in 35 Ill. Adm. Code Part 742, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Financial Interest" shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

"Financial Statements" shall mean complete audited financial statements of Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"Guaranty" shall mean a payment and performance guaranty issued by The Community Builders, a Massachusetts nonprofit corporation and the sole member of TCBDS, d/b/a TCB NFP Illinois, Inc., in favor of the City with respect to this Agreement, in form and substance satisfactory to the City in its sole discretion.

"General Contractor" shall mean the general contractor(s) hired by Developer pursuant to Section 6.01.

"Hazardous Substance(s)" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnitee" and "Indemnities" shall have the meanings set forth in Section 13.01 hereof.

"Laws" means all applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, executive orders, permits, licenses, authorizations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, injunctions, consent decrees or judgments.

"Lender Financing" shall mean funds borrowed by Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.
"Letter of Credit" shall mean the initial irrevocable, direct pay letter of credit naming the City as the sole beneficiary for the Letter of Credit Amount delivered to the City pursuant to Section 4.03(c) hereof, and, unless the context or use indicates another or different meaning or intent, any substitute letter of credit delivered to the City, in form and substance satisfactory to the City in its sole and absolute discretion, and any extensions thereof. The City shall approve the form of Letter of Credit prior to the Closing Date.

"Letter of Credit Amount" shall have the meaning set forth in Section 4.03(c) hereof.

"Letter of Credit Request" shall have the meaning set forth in Section 4.03(c) hereof.

"Losses" shall mean any and all debts, liens (including, without limitation, lien removal and bonding costs), claims, causes of action, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys' fees and expenses, consultants' fees and expenses and court costs).

"MBE(s)" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit H-2, as described in Section 10.03.

"MBE/WBE Program" shall have the meaning set forth in Section 10.03 hereof.

"Multi-Family Program Funds" shall mean certain funds administered by DOH and available from a variety of funding sources for the provision of loans and grants for the development of multi-family residential housing to increase the long-term supply of affordable housing.

"Municipal Code" shall mean the Municipal Code of the City of Chicago, as amended from time to time.

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

"Non-Governmental Charges" shall mean all non-governmental charges, liens, claims, or encumbrances relating to Developer, the Property or the Project.

"Other Bond(s)" shall have the meaning set forth for such term in Section 8.05 hereof.

"Other Bond Ordinance" shall mean the City ordinance authorizing the issuance of Other Bonds.

"Other Regulated Material" shall mean any Waste, Contaminant, material meeting 35 IAC Part 742.305, or any other material, not otherwise specifically listed or designated as a Hazardous
Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on Exhibit G hereto.

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

"Phase I ESA" shall mean a Phase I Environmental Site Assessment of the Property in accordance with ASTM E-1527-13.

"Phase II ESA" shall mean a Phase II Environmental Site Assessment of the Property in accordance with ASTM E-1903-19.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.05(a) hereof.

"Prior Obligations" means those amounts of Incremental Taxes deposited in the TIF Fund attributable to the taxes levied on the Redevelopment Area that have been pledged by the City to pay the following:

<table>
<thead>
<tr>
<th>Obligation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDA – DANK Haus</td>
<td>$1,546,119</td>
</tr>
<tr>
<td>Lincoln Square Brown line Area Improvements</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>CPS IGA – McPherson ES</td>
<td>$400,000</td>
</tr>
<tr>
<td>Lincoln Ave Streetscape &amp; Plaza</td>
<td>$8,835,000</td>
</tr>
<tr>
<td>SBIF</td>
<td>$1,500,000</td>
</tr>
</tbody>
</table>

"Project" shall have the meaning set forth in the Recitals hereof.

"Project Budget" shall mean the budget attached hereto as Exhibit H-1, showing the total cost of the Project by line item, furnished by Developer to the City, in accordance with Section 3.03 hereof.
“Property” shall have the meaning set forth in the Recitals hereof.

“RACR” shall mean the Remedial Action Completion Report required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter under the SRP.

“RAP” shall mean the Remedial Action Plan document required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

“RAP Approval Letter” shall mean written approval from the IEPA of the RAP.

“Redevelopment Area” shall have the meaning set forth in the Recitals hereof.

“Redevelopment Plan” shall have the meaning set forth in the Recitals hereof.

“Redevelopment Project Costs” shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

“Regulatory Agreement” shall mean, collectively, that certain Low Income Housing Tax Credits Regulatory Agreement, Donations Tax Credit Regulatory Agreement, HOME Program Regulatory Agreement, and Housing Loan Regulatory Agreement, all entered into on the date hereof by the Owner and the City, and in the case of the Donations Tax Credit Regulatory Agreement, the Owner, TCBDS and the City.

“Released Claims” shall have the meaning set forth in Section 11.4.

“Remediation Work” shall mean all investigation, sampling, monitoring, testing, reporting removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final Comprehensive Residential NFR Letter, in accordance with the terms and conditions of the RAP Approval Letter issued by IEPA, the SRP Documents, all requirements of the IEPA and all applicable federal, state, and local laws, ordinances, and regulations, including, without limitation, all applicable Environmental Laws.

“Requisition Form” shall mean a requisition form in substantially in the form attached as Exhibit K hereto.

“Scope Drawings” shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

“Senior Lender” shall mean CIBC Bank USA, an Illinois state chartered bank, or such entity as may be acceptable to the Commissioner of DOH.

“SRP” shall mean the IEPA’s Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

“SRP Documents” shall mean all documents submitted to the IEPA under the SRP, as
amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the RAP, the RACR, and any and all related correspondence, data and other information prepared by either party pursuant to Section 11.

“Survey” shall mean a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Project and related improvements as required by the City or lender(s) providing Lender Financing).

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on the date that is the ten (10) year anniversary of the issuance of the Certificate.

“TIF Adoption Ordinance” shall have the meaning set forth in the Recitals hereof.

“TIF Bonds” shall have the meaning set forth in the Recitals hereof.

“TIF Bond Ordinance” shall have the meaning set forth in the Recitals hereof.

“TIF Bond Proceeds” shall have the meaning set forth in the Recitals hereof.

“TIF District Administration Fee” shall mean the fee described in Section 4.05(c) hereof.

“TIF Expiration Date” shall have the meaning set forth in Section 3.01 hereof.

“TIF Fund” shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

“TIF-Funded Improvements” shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit C lists the TIF-Funded Improvements for the Project. For the avoidance of doubt, costs of TIF-Funded Improvements that are incurred after the TIF Reimbursement Deadline shall be paid in accordance with Sections 4.01 and 4.03(d) hereof.

“TIF Ordinances” shall have the meaning set forth in the Recitals hereof.

“TIF Reimbursement Deadline” shall mean November 15, 2024, or such later date as the City may consent to, and for costs of TIF-Funded Improvements incurred after such date, the City agrees to use Additional Non-TIF City Funds rather than City Funds for reimbursements.

“Title Company” shall mean ________________________.
"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Owner 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.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

"Waste" shall mean those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Project, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than one month after the Closing Date; and (ii) unless the City accepts a Letter of Credit from Developer (and thereby the corresponding completion extensions), both in accordance with Section 4.03(c), complete construction and conduct business operations therein no later than November 15, 2024. The City's will approve the form of Letter of Credit prior to Closing and will not withhold the consent if the agreed upon form is used along with any subsequent changes required of the issuing bank pursuant to applicable regulations or law and if the Developer meets the other requirements in 4.03(c). Notwithstanding any other provision in this Agreement, Developer acknowledges that the Redevelopment Area expires on December 31, 2024 (the "TIF Expiration Date") and agrees that, unless the City accepts a Letter of Credit from Developer in accordance with Section 4.03(c), its failure to (1) complete the Project pursuant to the terms of this Agreement, (2) apply for a Certificate pursuant to the terms of this Agreement such that it will be issued prior to the TIF Expiration Date, and (3) submit Requisition Forms for payment by the TIF Reimbursement Deadline, shall result in an absolute and unrecoverable forfeiture of any unpaid City Funds. If the City accepts the Letter of Credit, the deadline to complete construction and receive the Certificate will be as set forth in Section 4.03 hereof.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DOH and each has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DOH's Construction Services division as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans andSpecifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. Developer shall submit all necessary documents to the City's Department of Buildings, the City's Department of Transportation and such other City...
departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 **Project Budget.** Developer has furnished to DPD and DOH, and DPD and DOH have approved, a Project Budget showing total costs for the Project in the approximate amount not less than $48,050,955. Developer hereby certifies to the City that (a) the City Funds, together with Equity and other funds described in Section 4.01 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DOH's Construction Services division certified copies of any Change Orders with respect to the Project Budget for approval to the extent required pursuant to Section 3.04 hereof.

3.04 **Change Orders.** All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must follow DOH's Architectural Technical Standards manual policies and procedures and be submitted by the Developer to DOH's Construction and Compliance division for DOH's prior written approval. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DOH's written approval, which shall not be unreasonably withheld, conditioned, or delayed. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to Developer.

3.05 **DPD and DOH Approval.** Any approval granted by DPD and DOH of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD or DOH pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 **Other Approvals.** Any DPD or DOH approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD's and DOH's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 **Progress Reports and Survey Updates.** Developer shall provide DPD and DOH with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date over 30 days being considered a Change Order, requiring DOH's written approval pursuant to Section 3.04). Developer shall provide three (3) copies of an updated Survey to DPD or DOH upon the request of DPD or DOH or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 **Inspecting Agent or Architect.** An independent agent or architect (other than Developer's architect), which may be the Senior Lender's (providing Lender Financing) architect
or agent, shall perform periodic inspections with respect to the Project, at the Owner’s expense, providing certifications with respect thereto to DOH, prior to requests for disbursement for costs related to the Project.

3.09 Barricades. Prior to commencing any construction requiring barricades, Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.10 Signs and Public Relations. Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City’s promotional literature and communications.

3.11 Utility Connections. Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.12 Permit Fees. In connection with the Project, Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

3.13 Conveyance of Property. The following provisions shall govern the City's conveyance of the Property to the Developer:

(a) Form of Deed. The City shall convey the Property to TCBDS by quitclaim deed ("Deed") for the sum of One Dollar ($1.00), subject to the terms of this Agreement and, without limiting the quitclaim nature of the Deed, the Redevelopment Plan, the standard exceptions in an ALTA title insurance policy; all general real estate taxes and any special assessments or other taxes; all easements, encroachments, covenants and restrictions of record and not shown of record; such other title defects as may exist; and any and all exceptions caused by the acts of the Developer, its Affiliates and their agents. Immediately following the City’s conveyance of the Property to TCBDS, TCBDS shall immediately reconvey the Property to the Owner.

(b) Title Defects. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect to the Property or liens for such unpaid property taxes, the City shall, as applicable, request that the County void the unpaid taxes as provided in Section 21-100 of the
Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or file a tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing same, the Property remains subject to any tax liens, or if the Property is encumbered with any other exceptions that would adversely affect the use and insurability of the Property for the development of the Project, the Developer shall, as its sole remedy, have the option to either (i) proceed with the purchase subject to all defects and exceptions, or (ii) terminate its right to purchase under this Section 3.13, whereupon such purchase right shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder with respect to the Property. If the Developer elects not to terminate its right to purchase the Property pursuant to this Section 3.13, the Developer agrees to accept title subject to all exceptions.

(c) Closing. The conveyance of the Property shall take place on the Closing Date at the downtown offices of the Title Company or such other place as the parties may mutually agree upon in writing; provided, however, in no event shall the closing of the land sale occur unless the Developer has satisfied all conditions precedent set forth in Section 5, unless DOH, in its sole discretion, waives such conditions. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county, and municipal real estate transfer tax declarations, and an ALTA statement. The City will not provide a gap undertaking.

(d) Closing Costs. The Developer shall pay to record the Deed and any other documents incident to the conveyance of the Property to the Developer. The Developer shall also pay all escrow fees and other title insurance fees, premiums and closing costs.

(e) “As Is” Sale. The City makes no covenant, representation or warranty, express or implied, of any kind, as to the structural, physical or environmental condition of the Property or the suitability of the Property for any purpose whatsoever. The Developer acknowledges that it has had an adequate opportunity to inspect and evaluate the structural, physical and environmental conditions and risks of the Property and accepts the risk that any inspection may not disclose all material matters affecting the Property. The Developer agrees to accept the Property in its “AS IS,” “WHERE IS” and “WITH ALL FAULTS” condition at closing, with all faults and defects, latent or otherwise, and the City has not made and does not make any covenant, representation or warranty, express or implied, of any kind, or give any indemnification of any kind to the Developer, with respect to the structural, physical or environmental condition or the value of the Property, its compliance with any Laws, or its habitability, suitability, merchantability or fitness for any purpose whatsoever. The Developer acknowledges that it is relying solely upon its own inspection and other due diligence activities and not upon any information (including, without limitation, environmental studies or reports of any kind) provided by or on behalf of the City or its agents or employees with respect thereto. The Developer agrees that it is its sole responsibility and obligation to perform at its expense any environmental remediation work and take such other action as is necessary to put the Property in a condition which is suitable for its intended use.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. (a) The cost of the Project is estimated to be $[48,050,955], to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources: [AMOUNTS TO BE CONFIRMED PRIOR TO CLOSING]
<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. City Funds (TIF) (subject to Section 4.03)</td>
<td>$10,000,0001,2</td>
</tr>
<tr>
<td>2. City Multi-Family Program Funds</td>
<td>[12,013,259]1,2</td>
</tr>
<tr>
<td>3. Lender Financing – construction period</td>
<td>[15,910,000]3</td>
</tr>
<tr>
<td>4. Lender Financing – permanent</td>
<td>[3,900,000]</td>
</tr>
<tr>
<td>5. 9% Low-Income Tax Credit Equity</td>
<td>[14,583,083]</td>
</tr>
<tr>
<td>6. Donation Tax Credit Proceeds</td>
<td>[2,139,865]</td>
</tr>
<tr>
<td>7. ComEd Grant Loan</td>
<td>[142,415]</td>
</tr>
<tr>
<td>8. Managing Member Equity (subject to Sections 4.03(b) and 4.06)</td>
<td>$100</td>
</tr>
<tr>
<td>9. Deferred Developer Fee</td>
<td>[347,233]</td>
</tr>
<tr>
<td>10. New Hope Construction Bridge Loan</td>
<td>[2,000,000]</td>
</tr>
</tbody>
</table>

1If the Developer incurs costs of TIF-Funded Improvements in excess of $10,000,000, it is eligible to be reimbursed with up to an additional $2,000,000 in City Funds, with the total amount of City Funds not to exceed $12,000,000; provided, however, that the amount of the City Multi-Family Program Funds in line 2 above will be reduced dollar-for-dollar in the amount of City Funds over $10,000,000 reimbursed to the Developer. To the extent the additional City Funds added to Line 1 is less than the undisbursed balance of the loans in Line 2, then the maximum indebtedness in Line 2 shall be reduced by the amount of the additional City Funds added to Line 1. To the extent the additional City Funds in Line 1 exceeds the undisbursed balance of the loans in Line 2, then the additional City Funds will be used to prepay the loans in Line 2. By way of example, if the Developer is eligible for an additional $1,000,000 in City Funds on Line 1 prior to the final requisition and $11,513,083 has already been disbursed under Line 2, then (i) the aggregate Line 1 City Funds will be increased to $11,000,000, (ii) the undisbursed $500,000 in City Multi-Family Program Funds in Line 2 will no longer be disbursed, and (iii) there will be a mandatory prepayment of $500,000 on the outstanding City Multi-Family Program Funds loans in Line 2 such that the aggregate outstanding balance of Line 2 is reduced to $11,013,083.

2If the full $10,000,000 of City Funds in Line 1 is not incurred as of the TIF Reimbursement Deadline and the Developer delivers a Letter of Credit pursuant to Section 4.03(c) hereof the City will provide Additional Non-TIF City Funds in the Additional Non-TIF City Funds Amount in a manner described generally in subsection (b) below.

3 The Lender Financing will bridge a portion of the 9% Low-Income Tax Credit Equity.

(b) Additional Non-TIF City Funds. In the event the full $10,000,000 of City Funds in Line 1 is not incurred as of the TIF Reimbursement Deadline and subsequently approved by the City for reimbursement, the City will provide Additional Non-TIF City Funds in the Additional Non-TIF
City Funds Amount in one of the following ways: [TO BE CONFIRMED PRIOR TO CLOSING] (i) increase the maximum indebtedness of one or more of the City’s loans funded by Line 2, (ii) provide an additional loan with the same loan terms as the City’s loans in Line 2, provide a grant under the same terms hereunder (i.e. under the same schedule as Section 4.03(d) hereof and as a grant to TCBDS to be subsequently loaned to Owner), (iii) or a grant to [the Owner, its managing member,] TCBDS or an affiliate of TCBDS. For any costs incurred after the TIF Expiration Date, the disbursements shall be subject to the City’s approval of applicable extensions. For the avoidance of doubt, to the extent disbursement of Additional Non-TIF City Funds is contingent upon incurring TIF-eligible costs for TIF-Funded Improvements, the parties acknowledge that the passage of the TIF Expiration Date shall not be considered in determining eligibility.

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the “City Funds”) to pay for or reimburse TCBDS for the costs of the TIF-Funded Improvements:

<table>
<thead>
<tr>
<th>Source of City Funds</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Incremental Taxes</td>
<td>Up to $12,000,000</td>
</tr>
</tbody>
</table>

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed $12,000,000 of the actual total Project costs; and provided further, that the $12,000,000 to be derived from Available Incremental Taxes, if any shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Available Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs.

Developer acknowledges and agrees that the City’s obligation to pay for TIF-Funded Improvements up to a maximum of $12,000,000 is contingent upon the fulfillment of the conditions set forth in the second proviso above. In the event that such conditions are not fulfilled, the amount of Equity and/or other available sources approved in this Agreement to be contributed and/or obtained by Developer pursuant to Section 4.01 hereof shall increase as necessary to fill resulting budget shortfalls.
(c) **Letter of Credit Option.** If Developer fails to complete construction of the Project and obtain a Certificate by the TIF Reimbursement Deadline, the Developer may submit a written notice by December 2, 2024 to the City asking that the City accept a Letter of Credit from Developer as a condition of payment of City Funds (the "Letter of Credit Request"). The Letter of Credit Request shall be approved only if the following conditions are met to the City's satisfaction, in its sole discretion:

(i) construction of the Project according to the Plans and Specifications must be at least 50% complete by the TIF Reimbursement Deadline, as measured by the progress reports provided by the inspecting agent or architect being used by the lender providing Lender Financing, and with no less than $5,000,000 of costs related to TIF-Funded Improvements actually incurred by the Developer;

(ii) Developer's Letter of Credit Request shall be subject in all respects to Section 4.07;

and

(iii) the amount of the Letter of Credit (the "Letter of Credit Amount") shall be $1,000,000.

DPD shall respond to the Letter of Credit Request no later than December 16, 2024 by notifying the Developer that the City has either (a) approved the Letter of Credit Request; or (b) rejected the Letter of Credit Request for Developer's failure to comply with Sections 4.03(c)(i-iii). If City approves the Letter of Credit Request, then Developer shall provide a Letter of Credit by the later of December 19, 2024 or three (3) business days after the City approves the Letter of Credit Request.

If the City accepts a Letter of Credit from Developer in accordance with this Section 4.03(c), Developer must complete construction of the Project and receive a Certificate no later than June 30, 2025. If Developer anticipates that it will fail to complete construction and receive a Certificate by June 30, 2025, then no later than May 30, 2025, the Developer may submit a written notice to the City asking that the City approve an extension of the construction completion date and the Letter of Credit until no later than December 31, 2025 (the "Extension Request"). The City may, without limitation, approve the Extension Request for delays connected to City construction completion approvals (as determined by the City in its sole discretion), or other City-caused delays, including but not limited to City infrastructure projects that prevent issuance of certificate of occupancy, so long as the Developer is able to demonstrate to the City's satisfaction that any delay is caused by the City and not the Developer's own actions, timeliness or lack thereof, evidenced by the timely submission of permit applications, changes and corrections, payout documentation and, or any response for corrective actions or supportive documentation. Such approval shall not be unreasonably withheld by the City and DPD shall respond to the Extension Request no later than June 27, 2025. Notwithstanding the foregoing, if Developer receives a temporary or permanent certificate of occupancy or an architect's certificate of 100% completion by June 30, 2025, but the other conditions for issuance of the Certificate have not been met, then the Letter of Credit and corresponding completion deadline shall be extended to December 31, 2025.
The Letter of Credit shall be released only if a Certificate is issued by June 30, 2025, or if the City approves the Extension Request, by December 31, 2025. The City acknowledges that in order to obtain the Letter of Credit, the Developer will be required to hold funds on deposit with the issuing bank which will not be accessible to Developer until the City takes necessary actions to release the Letter of Credit. Upon Developer issuance of the Certificate, the City shall within 5 business days return the original Letter of Credit to the issuing bank along with any other required documentation needed for the release of Letter of Credit. If a Certificate is not issued by December 31, 2025, the City shall have the right to draw down on the Letter of Credit for the full amount of the Letter of Credit Amount was provided, also avail itself of all of the City’s rights thereto. Except as specifically set forth herein, nothing in this Section 4.03(c) shall be deemed to limit the City’s remedies for Developer’s failure to comply with the terms of this Agreement.

(d) Disbursement of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 4.04, Section 4.08 and Section 5 hereof, the City shall disburse the City Funds as follows:

(i) The first installment of City Funds in the amount of $2,500,000 shall be paid when the Developer incurs costs of TIF-Funded Improvements in this amount as certified to the City in a Requisition Form with required supporting documentation submitted to DPD, and further provided that a portion of the Environmental Performance Deposit in the amount of $(155,400) shall be withheld from this first installment, thereby reducing the maximum amount of this first installment to $(2,344,600);

(ii) The second installment of City Funds in the amount of $2,500,000 shall be paid when the Developer incurs costs of TIF-Funded Improvements in the amount of $5,000,000 as certified to the City in a Requisition Form with required supporting documentation submitted to DPD, and further provided that a portion of the Environmental Performance Deposit in the amount of $(22,200) shall be withheld from this second installment, thereby reducing the maximum amount of this second installment to $(2,477,800);

(iii) The third installment of City Funds in the amount of $2,500,000 shall be paid when the Developer incurs costs of TIF-Funded Improvements in the amount of $7,500,000 as certified to the City in a Requisition Form with required supporting documentation submitted to DPD, and further provided that a portion of the Environmental Performance Deposit in the amount of $(44,400) shall be withheld from this third installment, thereby reducing the maximum amount of this third installment to $(2,455,600);

(iv) The final installment of City Funds shall be paid upon issuance of the Certificate.

The return of the Environmental Performance Deposit shall be made, if at all, pursuant to the requirements of Section 11.03 hereof.

If the Developer completes construction of the Project by the TIF Reimbursement Deadline and receives the Certificate by the TIF Expiration Date (or such later date approved by the City in its sole discretion), the final installment of City Funds shall be paid upon issuance of the Certificate; or
Notwithstanding the schedule set forth above, if the Developer delivers a Letter of Credit Request as described in Section 4.03(c) above, the City will make an interim payment of City Funds in the amount of costs of TIF-Funded Improvements actually incurred (but not yet reimbursed) by the Developer as of TIF Reimbursement Deadline and the balance of the disbursements set forth above will be paid with Additional Non-TIF City Funds. By way of example, Developer has incurred $6,000,000 in TIF-Funded Improvements, but only $5,000,000 has been reimbursed as of the TIF Reimbursement Deadline, the City will make an interim payment of City Funds of $1,000,000 for the third installment and the balance of the third installment will be paid with Additional Non-TIF City Funds upon incurring $7,500,000 in costs. The final installment will be paid with Additional Non-TIF City Funds upon issuance of the Certificate.

4.04 Construction Escrow. The City and Developer hereby agree to enter into the Escrow Agreement. All disbursements of Project funds, except for the Prior Expenditures, shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement. The Developer shall submit a Requisition Form to DPD prior to each disbursement of City Funds per Section 4.03 above and DPD shall respond to the Developer's Requisition Form within forty-five (45) days. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per month (or as otherwise permitted by DPD). DOH shall approve disbursements of the City Funds from the Escrow. If required, the Developer shall meet with DPD or DOH upon request to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by Developer pursuant to Section 4.01 hereof.

(b) [intentionally omitted.]

(c) TIF District Administration Fee. Annually, the City may allocate an amount (the "TIF District Administration Fee") not to exceed 5 percent (5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.
(d) **Allocation Among Line Items.** Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DOH, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed $25,000 or $100,000 in the aggregate, may be made without the prior written consent of DPD.

4.06 **Cost Overruns.** If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.07 **Preconditions of Disbursement.** Prior to each disbursement of City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD including a Requisition Form, which shall be satisfactory to DPD in its sole discretion. Delivery by Owner and/or TCBDS to DPD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the disbursement request represents the actual cost of the Acquisition or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties contained in this Agreement are true and correct and Developer is in compliance with all covenants contained herein;

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount...
that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement 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 but not limited to requirements set forth in the TIF Bond Ordinance, if any, the Other Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer’s compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 7.03 and Section 15.02 hereof.

4.09 Permitted Transfers. Notwithstanding anything herein to the contrary, City will permit (i) the Owner’s investor member to remove Owner’s managing member in accordance with the Owner’s operating agreement (the “Operating Agreement”), provided the substitute managing member is acceptable to City in its reasonable discretion and the City provides its written consent and (ii) a transfer by the Owner’s investor member of its membership interest after the Closing Date to an unaffiliated entity with the prior written consent of the City; provided, however, that the prior written consent of the City shall not be required for a transfer by the investor member of its membership interest after the Closing Date to an affiliated entity, but prior written notice to the City is required.

SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City’s satisfaction on or prior to the Closing Date:

5.01 Project Budget. Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawings and Plans and Specifications. Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. Developer has secured or applied for all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD. Such approvals shall include, without limitation, all building permits necessary for the Project; provided, however, that if the City agrees to close before construction commences, such building permits shall be secured prior to commencement of any such construction work.
5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other sources set forth in Section 4.01) to complete the Project. The City agrees to a Collateral Assignment in connection with Lender Financing, if required by a lender providing such Lender Financing. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, with the Cook County Clerk's Recordings Division.

5.05 Acquisition and Title. On the Closing Date, Owner has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing Owner as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. Owner has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Owner, at its own expense, has provided the City with searches as indicated in the chart below under each Developer's name showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Searches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary of State</td>
<td>UCC, Federal tax</td>
</tr>
<tr>
<td>Cook County Clerk's Recordings Division</td>
<td>UCC, Fixtures, Federal tax, State tax, Memoranda of judgments</td>
</tr>
<tr>
<td>U.S. District Court</td>
<td>Pending suits and judgments</td>
</tr>
<tr>
<td>Clerk of Circuit Court, Cook County</td>
<td>Pending suits and judgments</td>
</tr>
</tbody>
</table>

5.07 Surveys. Owner has furnished the City with three (3) copies of the Survey.

5.08 Insurance. Owner, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as required by or acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give
some of the opinions set forth in Exhibit J hereto, such opinions were obtained by Developer from its general corporate counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. Developer has provided Financial Statements to DPD for its most recent fiscal year and audited or unaudited interim financial statements.

5.12 Additional Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07.

5.13 Environmental. Owner has provided DPD with a Phase I ESA for the Property conducted, or updated, within 180 days prior to the conveyance of the Property and any Phase II ESA. with respect to the Property required by the City Developer has provided the City with a letter from the environmental engineer(s) who completed such assessments, authorizing the City to rely on such assessments.

5.14 Corporate Documents: Economic Disclosure Statement. Each of the entities or persons comprising the Developer shall provide a copy of its current Articles of Incorporation or organization or partnership agreements, as applicable, with all amendments, containing the original certification of the Secretary of State of its state of incorporation or organization; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which each Developer party is qualified to do business; its current bylaws, operating agreement or partnership agreement, as applicable; a secretary’s certificate in such form and substance as the Corporation Counsel may require; and such organizational documentation as the City may request.

Each of the Owner and TCBDS have provided to the City, an EDS in the City’s then current form, dated as of the Closing Date, which is incorporated by reference, and the entities or persons having management control of or a greater than 7.5% ownership interest in the Owner or TCBDS 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 pursuant to the requirements of Section 2-154-020 of the Municipal Code, 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, and failure to promptly provide such updated EDS(s) to the City will constitute an Event of Default under this Agreement.

5.15 Litigation. Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount
of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

5.16 Guaranty. Developer has provided an executed Guaranty.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD’s prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any portion of the Project, Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect’s Form No. A311 or its equivalent. Prior to the commencement of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit N hereto. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof; provided, however, that the contracting, hiring, and testing requirements associated with the MBE/WBE and the City resident obligations in Section 10 shall be applied in the aggregate basis and failure of the General Contractor to require each contractor to satisfy or the failure of any one subcontractor to satisfy, such obligation shall not result in a default or a termination of this
Agreement or require payment of the City resident hiring shortfall amounts so long as such Section 10 obligations are satisfied on an aggregate basis.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in accordance with the terms of this Agreement, and upon Developer’s written request, DPD shall issue to Developer a Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to Developer’s written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures. DPD shall not issue a certificate until all of the following conditions are met by the Developer:

i. Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for the Project;

ii. The Project, including all residential units, common areas, environmental features, and related improvements, has been completed and constructed substantially according to the Plans and Specifications as evidenced by an affidavit provided by Developer as evidenced by AIA Form G702, and the architect of record has issued a certificate of substantial completion;

iii. Evidence that Developer has incurred, and paid for, not less than 100% of the total (Project Budget less the costs related to as mutually agreed to by the City and Developer prior to the Closing Date) for the completion of the Project, as modified by Change Order;

iv. Evidence that the Developer has incurred costs of TIF-Funded Improvements in an amount that equal to or greater than the amount the City reimbursed from City Funds and Additional City Funds;

v. Evidence that the Project has no construction-related liens, subject to the Developer’s right to contest or object in good faith to construction-related liens by appropriate legal proceedings properly and diligently instituted and prosecuted, during which time the Developer shall furnish a good and sufficient bond covering such lien;
vi. There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition nor event which, with the giving of notice or passage of time or both, would constitute an Event of Default as evidenced by an affidavit provided by the Developer and accepted by the City;

vii. DOH's Construction and Compliance division has verified that, at the time the Certificate is issued, Developer is in full compliance with City requirements set forth in Section 10 (including, without limitation, Sections 10.02 and 10.03) and Section 8.09 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project, and that 100% of the Developer's MBE/WBE Commitment in Section 10.03 has been fulfilled;

viii. Evidence in the form of an affidavit provided by the architect of record certifying that the Project will achieve at least one hundred (100) points in connection with the provisions and requirements of the Chicago Sustainable Development Policy;

ix. Evidence of recordation of the Final Comprehensive Residential NFR Letter.

7.02 Effect of Issuance of Certificate: Continuing Obligations. The Certificate 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, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.06, 8.19 and 11.04 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section
4.01. Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds and the Appraised Value of the Property from Developer.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

8.01 General. Developer 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) Owner and TCBDS are each an Illinois limited liability company, each duly organized, validly existing, qualified to do business in its state of incorporation/organization and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Certificate of Limited Partnership, Articles of Organization or partnership agreement or by-laws as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer is now or may become bound;

(d) Owner shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15 hereof);

(e) Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting Developer which would impair its ability to perform under this Agreement;

(g) Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;
(h) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer is bound;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements;

(j) prior to the issuance of the Certificate, Owner shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Owner's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (except as required in connection with Lender Financing); or (5) enter into any transaction that would cause a material and detrimental change to Owner's financial condition;

(k) Developer has not incurred, and, prior to the issuance of the Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and

(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 pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) neither Developer nor any affiliate of Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise;
(n) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(p) Developer understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be less than the maximum amounts set forth in Section 4.03(b);

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except as otherwise permitted by this Agreement (including without limitation the Collateral Assignment) or as approved in writing by the City in the City's sole discretion, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(r) Developer acknowledges that with respect to City Funds, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City Funds or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals (including the RAP Approval Letter), Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, approved RAP, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

8.04 Use of City Funds. City Funds disbursed to Developer shall be used by Developer solely to pay for (or to reimburse Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.
8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the “Other Bonds”; provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer’s expense, cooperate and provide reasonable assistance in connection with the marketing of any such Other Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Job Creation and Retention. The Developer anticipates that the Project will result in the creation of (i) [20] full-time equivalent permanent jobs (the “Permanent Jobs”), and (ii) during the construction of the Project approximately [75] construction jobs on the job-site (the “Construction Jobs,” and collectively with the Permanent Jobs, the “Jobs”). Throughout the Term of the Agreement, the Developer shall submit certified employment reports disclosing the number of Jobs at the Project to DPD and DOH as a part of the Developer’s submission of the Annual Compliance Report. Notwithstanding any other provision in this Agreement to the contrary, the failure to create the specified number of Jobs shall not constitute an Event of Default.

8.07 Employment Opportunity: Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD’s satisfaction, the manner in which Developer shall correct any shortfall.

8.08 Employment Profile. Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD’s request.

8.09 Prevailing Wage. Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the federal government pursuant to the Davis-Bacon Act, to all their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If federal prevailing wage rates are revised, the revised rates shall apply to all such contracts. Upon the City’s request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of City Funds, directly or
indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property or any other aspect of the Project.

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 202_, and each year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14 Insurance. Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens and subject to subsection (b) below, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or
(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.16 **Developer's Liabilities.** Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 **Compliance with Laws.** To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 **Recording and Filing.** Owner shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. If this Agreement is not recorded first, a subordination agreement will have to be prepared and executed. Owner shall pay all fees and charges incurred in connection with any such recording. Upon recording, Owner shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 **Real Estate Provisions.**

(a) **Governmental Charges.**

(i) **Payment of Governmental Charges.** Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Property or the Project including but not limited to real estate taxes.
(ii) **Right to Contest.** Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer’s covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer’s intent to contest or object to a Governmental Charge and, unless, at DPD’s sole option,

(1) Developer shall demonstrate to DPD’s satisfaction that legal proceedings instituted by Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(2) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) **Developer’s Failure To Pay Or Discharge Lien.** If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD’s sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys’ fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer’s own expense.

(c) **Intentionally Omitted.**

(d) **Notification to the Cook County Assessor of Change in Use and Ownership.** Within 90 days of the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the Property. After delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City’s Corporation Counsel’s office.
8.20 **Annual Report(s).** (a) Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.21 **Inspector General.** It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant, to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 **Environmental Requirements.** The Project will achieve at least one hundred (100) points in connection with the provisions and requirements of the Chicago Sustainable Development Policy, and the Project will achieve Enterprise Green Communities certification.

8.23. **FOIA and Local Records Act Compliance.**

(a) **FOIA.** The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) **Exempt Information.** Documents that the Developer submits to the City under Section 8.20, (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 the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as “proprietary, privileged or confidential.” If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) **Local Records Act.** The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act.

8.24 **Affordable Housing Covenant.** Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of that certain Regulatory Agreement dated as of the date hereof shall govern the terms of
Developer’s obligation to provide affordable housing. Following foreclosure, if any, and from the
date of such foreclosure through the Term of the Agreement, the following provisions shall govern
the terms of the obligation to provide affordable housing under this Agreement:

(a) The Project shall be operated and maintained solely as residential rental housing;

(b) No residential housing units in the Project shall be leased to households at market-
rate rents.

(c) All of the 63 residential housing units in the Project shall be available for occupancy
to and be occupied solely by Low-Income Families, Very Low-Income Families and/or Extremely
Low-Income Families (each as defined below); and

(d) All of the 63 residential housing units in the Project shall have monthly rents not in
excess of thirty percent (30%) of the maximum allowable income for a Low-Income Family, except
in the case of residential housing units with rental subsidy vouchers from the Chicago Housing
Authority which residential housing units shall have monthly rents charged to tenants not in
excess of thirty percent (30%) of the maximum allowable income for a Low-Income Family (with
the applicable Family size for such units determined in accordance with the rules specified in
Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for
any unit occupied by a Family (as defined below) that no longer qualifies as a Low-Income Family
due to an increase in such Family’s income since the date of its initial occupancy of such unit, the
maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family’s monthly
income.

(e) As used in this Section 8.24, the following terms has the following meanings:

(i) “Family” shall mean one or more individuals, whether or not related by blood or
marriage; and

(ii) “Low-Income Families” shall mean Families whose annual income does not
exceed sixty percent (80%) of the Chicago-area median income, adjusted for Family size,
as such annual income and Chicago-area median income are determined from time to
time by the United States Department of Housing and Urban Development, and thereafter
such income limits shall apply to this definition.

(iii) “Very Low-Income Families” shall mean Families whose annual income does
not exceed thirty percent (30%) to fifty percent (50%) of the Chicago-area median income,
adjusted for Family size, as such annual income and Chicago-area median income are
determined from time to time by the United States Department of Housing and Urban
Development, and thereafter such income limits shall apply to this definition.

(iv) “Extremely Low-Income Families” shall mean Families whose annual income
does not exceed zero percent (0%) to thirty percent (30%) of the Chicago-area median
income, adjusted for Family size, as such annual income and Chicago-area median
income are determined from time to time by the United States Department of Housing and
Urban Development, and thereafter such income limits shall apply to this definition.
(f) The covenants set forth in this Section 8.24 shall run with the land and be binding upon any transferee.

(g) The City and Developer may enter into a separate agreement to implement the provisions of this Section 8.24.

8.25 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of Developer’s execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City’s execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER’S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Property (collectively, with Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party’s provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the “Human Rights Ordinance”). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all
qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City’s Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof.

10.02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

“Actual residents of the City” shall mean persons domiciled within the City. The domicile is an individual’s one and only true, fixed and permanent home and principal establishment.
Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

Upon two business days prior written notice, the Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them related to construction of the Project. Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.
Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

10.03. MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit H-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

(1) At least 26 percent by MBEs.
(2) At least 6 percent by WBEs.

(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670 of the Municipal Code, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer’s MBE/WBE commitment may be achieved in part by Developer’s status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer’s MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.
(d) Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBES in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by Developer, on five Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code, as applicable.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.
SECTION 11. ENVIRONMENTAL MATTERS

11.01 Representation and Warranty. Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan.

11.02 Background. The Developer enrolled the Property in the SRP on [insert date prior to closing], and obtained a RAP Approval Letter for a residential cleanup from the IEPA on [insert date prior to closing].

11.03 Environmental Performance Deposit. The City will withhold $222,000 in the manner set forth in Section 4.03(d) hereof, as security for the performance of the Developer's obligations under this Agreement (the "Environmental Performance Deposit"). The City will release the Environmental Performance Deposit in accordance with the following schedule: (i) $(155,400) (or 70% of total, whichever is greater) after Developer's completion of soil removal for foundation work/slab on grade; (ii) $22,200) (or 10% of total, whichever is greater) after Developer's submission of the RACR to the IEPA; (iii) $(22,200) (or 10% of total, whichever is greater) after Developer's receipt of the Final Comprehensive Residential NFR Letter; and (iv) $(22,200) (or 10% of total, whichever is greater) after the Developer records the Final Comprehensive Residential NFR Letter with the City Clerk Recordings Division for Cook County, Illinois.

11.04 Environmental Remediation. The Developer provided the City with a Phase I ESA prior to and conducted, or updated, within 180 days prior to the conveyance of the Property, and a Phase II ESA.

The Phase I ESA identified Recognized Environmental Conditions ("RECs") and the Developer performed a Phase II ESA to ascertain the presence of any environmental impacts that may be associated with the RECs.

The Phase II ESA identified contamination above residential remediation objectives as determined by Title 35 of the Illinois Administrative Code Part 742, and the Developer must enroll the Property in the IEPA's SRP in order to obtain a Final Comprehensive Residential NFR Letter for the enrolled Property. The Developer acknowledges and agrees that it may not commence construction on the Property or commence any other activity on the Property that could interfere with the prompt start and completion of the RAP until the IEPA issues a RAP Approval Letter for the Property.

The Developer covenants and agrees that upon receipt of the RAP Approval Letter for the Property, the Developer shall promptly complete all Remediation Work necessary to obtain an Final Comprehensive Residential NFR Letter for the Property using all reasonable means. The City shall have the right to review in advance and approve all environmental documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer's estimate of the cost to perform the Remediation Work. The Developer shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final Comprehensive Residential NFR Letter, and the costs of any other investigative and cleanup costs associated with the Property. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications.
delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees that the City will not permit occupancy until the IEPA has issued, the City has approved, and the Developer has recorded with the Cook County Clerk an Final Comprehensive Residential NFR Letter for the Property enrolled in the SRP (to the extent required). The City’s approval of the Final Comprehensive Residential NFR Letter as issued by the IEPA shall not be unreasonably withheld. If the Developer fails to obtain the Final Comprehensive Residential NFR Letter within six (6) months of the submission of the RACR to the IEPA, unless the City agreed to extend such time period, then the City shall have the right to issue a notice of default of this Agreement against the Property.

The Developer must abide by the terms and conditions of the Final Comprehensive Residential NFR Letter and must inform any subsequent owner and tenants of the Property to abide by the terms of the Final Comprehensive Residential NFR Letter.

11.05 Release and Indemnification. Without limiting any other provisions hereof, Developer, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under any of them (collectively, the “Developer Parties”), hereby releases, relinquishes and forever discharges the Indemnitees from and against any and all Losses which the Developer or any of the Developer Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the Closing Date, based upon, arising out of or in any way connected with, directly or indirectly (i) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances; (ii) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances or Other Regulated Material in, on, under or about the Property or the migration, escape, seepage, leakage, spillage, emission, discharge or release of Hazardous Substances or Other Regulated Material from the Property to other real property or from other real property to the Property; (iii) any actual or asserted violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 6901 et seq.; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, “Released Claims”). Furthermore, the Developer shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the Indemnitees harmless from and against any and all Losses incurred, suffered by or asserted against the City by any third parties (including, without limitation, any of the Developer) arising out of or in any way connected with, directly or indirectly, any of the Released Claims, regardless of whether or not caused by, or within the control of Developer (except to the extent caused by the willful misconduct by the City). The Developer waives their rights of contribution and subrogation against the Indemnified Parties.

11.06 Release Runs with the Land. The covenant of release in Section 11.05 above shall run with the Property, and shall be binding upon all successors and assigns of the Developer with
respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledge and agree that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer or any of the Developer arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer nor any of the Developer Parties will assert that those obligations must be satisfied in whole or in part by the City because Section 11.05 contains a full, complete and final release of all such claims.

11.07 Survival. This Section 11 shall survive the Closing Date or any termination of this Agreement (regardless of the reason for such termination).

SECTION 12. INSURANCE

Owner must provide and maintain, at Owner's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than $100,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than $1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the Project. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) Construction. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:
(i) **Workers Compensation and Employers Liability**

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than $500,000 each accident, illness or disease.

(ii) **Commercial General Liability (Primary and Umbrella)**

Commercial General Liability Insurance or equivalent with limits of not less than $2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) **Automobile Liability (Primary and Umbrella)**

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than $2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) **Railroad Protective Liability**

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than $2,000,000 per occurrence and $6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) **All Risk /Builders Risk**

When Developer undertakes any construction, including improvements, betterments, and/or repairs, Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) **Professional Liability**

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than $1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A
claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the recreation and reconstruction of such records.

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than $1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

(i) All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the Project. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.
The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

**SECTION 13. INDEMNIFICATION**

13.01 **General Indemnity.** Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such 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 in any manner relating or arising out of:
(a) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(b) 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

(c) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

(d) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it violates any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by Developer hereunder:
(a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;

(b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) the entry of any judgment or order against Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period;

(i) the dissolution of Developer;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor);
(k) prior to the expiration of the Term of the Agreement, and except with respect to transfers of the Property to a mortgagee under a Permitted Mortgage or an Existing Mortgage, the sale or transfer of the Property or Project and/or all or substantially 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.

(m) failure to provide the City with an Annual Compliance Report within (60) days of when it is due, as set forth in Section 8.20.

For purposes of Section 15.01(j) hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of such Developer party's (or such party's ultimate parent entity's) issued and outstanding ownership shares or interest or partnership interests, as applicable.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project subordinate to Senior Lender's mortgage lien in the amount of City Funds paid plus the Appraised Value of the Property, and/or seek reimbursement of any City Funds paid plus the Appraised Value of the Property. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

15.04 Lender Notice and Cure Right. If an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to each of the lenders providing Lender Financing at the addresses in Section 17, and
each of such lenders shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, any party entitled to cure such default may cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such monetary default; and

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such non-monetary default; provided, however, that if such non-monetary default is not reasonably capable of being cured by any lender providing Lender Financing within such 30-day period, such period shall be extended for such reasonable period of time agreed to by the City as may be necessary to cure such default, provided that the party seeking such cure must diligently and continuously prosecute the cure of such default until the same has been cured and, if possession of the Project is necessary to effect such cure, the party seeking such cure must have instituted appropriate legal proceedings to obtain possession to the extent such party has the right to do so.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto (including but not limited to mortgages made prior to or contemporaneously herewith in connection with Lender Financing) 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 permit to be recorded against the Property or any portion thereof is referred to herein as a “New Mortgage.” Any New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a “Permitted Mortgage.” It is hereby agreed by and between the City and Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to Developer’s interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer’s interest hereunder in accordance with Section 18.14 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to Developer’s interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer’s interest hereunder in accordance with Section 18.14 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of “Developer” hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer’s interest under this Agreement, such party has no
liability under this Agreement for any Event of Default of Developer which accrued prior to the
time such party succeeded to the interest of Developer under this Agreement, in which case
Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage
or an Existing Mortgage does not expressly accept an assignment of Developer's interest
hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such
party shall be bound only by those provisions of this Agreement, if any, which are covenants
expressly running with the land.

(c) Prior to the issuance by the City to Developer of a Certificate pursuant to Section
7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof
without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be
given in writing at the addresses set forth below, by any of the following means: (a) personal
service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified mail, return
receipt requested.

<table>
<thead>
<tr>
<th>If to the City:</th>
<th>If to Developer:</th>
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<tbody>
<tr>
<td>City of Chicago</td>
<td>4715 N Western Owner LLC</td>
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<tr>
<td>Department of Planning and</td>
<td>c/o The Community Builders, Inc.</td>
</tr>
<tr>
<td>Development</td>
<td>185 Dartmouth Street</td>
</tr>
<tr>
<td>121 North LaSalle Street,</td>
<td>Boston, MA 02116</td>
</tr>
<tr>
<td>Room 1000</td>
<td>Attn: General Counsel</td>
</tr>
<tr>
<td>Chicago, Illinois 60602</td>
<td>And to:</td>
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<tr>
<td>Attention: Commissioner</td>
<td>TCB Development Services LLC</td>
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<td></td>
<td>c/o The Community Builders, Inc.,</td>
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<td>185 Dartmouth Street</td>
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<td>Boston, MA 02116</td>
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<td>Attn: General Counsel</td>
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<tbody>
<tr>
<td>City of Chicago</td>
<td>Applegate &amp; Thorne-Thomsen, P.C.</td>
</tr>
<tr>
<td>Department of Law</td>
<td>425 S. Financial Place, Suite 1900</td>
</tr>
<tr>
<td>121 North LaSalle Street,</td>
<td>Chicago, Illinois 60605</td>
</tr>
<tr>
<td>Room 600</td>
<td>Attn: Paul Davis, Esq.</td>
</tr>
<tr>
<td>Chicago, Illinois 60602</td>
<td>And</td>
</tr>
<tr>
<td>Attention: Finance and</td>
<td>Stratford Asset Management Co., L.L.C.</td>
</tr>
<tr>
<td>Economic Development</td>
<td>c/o Stratford Capital Group LLC</td>
</tr>
<tr>
<td>Division</td>
<td>100 Corporate Place, Suite 404</td>
</tr>
<tr>
<td></td>
<td>Peabody, MA 01960</td>
</tr>
</tbody>
</table>
If to Senior Lender:

CIBC Bank USA
120 S. LaSalle St.
Chicago, Illinois 60603
Attention: Adam Rogers

With Copies To:

Kutak Rock LLP
8601 N. Scottsdale Road, Suite 300
Scottsdale, Arizona 85253
Attn: Heather K. Aeschleman

Attention: Asset Management (4715 N. Western Avenue)

And

Nixon Peabody LLP
799 9th Street NW, Suite 500
Washington, D.C. 20001-5327
Attention: Sumeet Sharma

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term “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 ninety (90) days.

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties.
hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05 Waiver. Waiver by the City or Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18.08 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

18.09 Severability. If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

18.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.
18.12 **Form of Documents.** All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

18.13 **Approval.** Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 **Assignment.** Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. The City hereby consents to the execution and delivery of a Collateral Assignment in favor or a lender holding Lender Financing. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.25 (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 ** Binding Effect.** This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.16 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornados or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 **Business Economic Support Act.** Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer
to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.18 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party may hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

18.19 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code)(a "Financial Interest"), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]
Signature page to 4715 N Western Apartments Redevelopment Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on or as of the Closing Date.

4715 N WESTERN OWNER LLC,
an Illinois limited liability company

By: ___________________________
Name: __________________________
Title: __________________________

TCB DEVELOPMENT SERVICES LLC,
an Illinois limited liability company

By: ___________________________
Name: __________________________
Title: __________________________

CITY OF CHICAGO

By: ___________________________
Commissioner
State of Illinois ) 
) SS. 
County of Cook ) 

I, ________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that, ________________, personally known to me to be the ________________ of 4715 N Western Owner LLC, an Illinois limited liability company (the "Owner"), 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 Owner, as his/her free and voluntary act and as the free and voluntary act of Owner, for the uses and purposes therein set forth.

Given under my hand and official seal this _____ day of ________________, ______.

______________________________
Notary Public

My Commission Expires ____________

(SEAL)

State of Illinois ) 
) SS. 
County of Cook ) 

I, ________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that, ________________, personally known to me to be the ________________ of TCB Development Services LLC, an Illinois limited liability company ("TCBDS") 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 TCBDS, 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 notarial seal this _____ day of ________________, ______.

______________________________
Notary Public

My Commission Expires ____________
(SEAL)

State of Illinois )
     ) SS.
County of Cook )

I, ________________________, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that, ________________________, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of __________________, _____.

______________________________
Notary Public

My Commission Expires ____________

(SEAL)

[(Sub)Exhibit "B" referred to in this 4715 North Western Apartments Redevelopment Agreement constitutes Exhibit "B" to ordinance printed on page 62392 of this Journal.]

[(Sub)Exhibits "D" and "L" referred to in this 4715 North Western Apartments Redevelopment Agreement intentionally omitted.]

[(Sub)Exhibits "A", "E", "F", "I", "J", "M" and "N" referred to in this 4715 North Western Apartments Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "C", "G", "H-1", "H-2" and "K" referred to in this 4715 North Western Apartments Redevelopment Agreement read as follows:
### TIF-FUNDED IMPROVEMENTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Project Budget Amount*</th>
<th>% TIF Eligible</th>
<th>TIF Eligible Cost**</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIF-eligible Land Acquisition</td>
<td>$4,925,000</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Public Works or Site Improvements</td>
<td>$</td>
<td>50%</td>
<td>$</td>
</tr>
<tr>
<td>Affordable Housing Unit Hard Costs</td>
<td>$28,121,344</td>
<td>50-100%</td>
<td>$14,900,692</td>
</tr>
<tr>
<td>Other Hard Construction Costs</td>
<td>$2,568,320</td>
<td>0-100%</td>
<td>$263,623</td>
</tr>
<tr>
<td>Environmental Remediation</td>
<td>$</td>
<td>100%</td>
<td>$</td>
</tr>
<tr>
<td>Eligible soft costs related to construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible Professional Fees</td>
<td>$2,294,393</td>
<td>50%</td>
<td>$1,147,197</td>
</tr>
<tr>
<td>Relocation</td>
<td>$</td>
<td>100%</td>
<td>$</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>$1,944,479</td>
<td>50%</td>
<td>$972,240</td>
</tr>
<tr>
<td>Soft Interest (can only count if not counting affordable hard costs)</td>
<td>30%</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>70%</td>
<td>$12,098,626</td>
</tr>
</tbody>
</table>

**Notwithstanding the total of TIF eligible costs, the TIF assistance to be provided by the City shall not exceed $12m.**

### Notes
- Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in **Section 4.03** and shall not exceed $12,000,000.
(Sub)Exhibit "G".
(To 4715 North Western Apartments Redevelopment Agreement)

Permitted Liens.

1. Liens Or Encumbrances Against The Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect, as well as future easements granted to utility providers.

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any:

[To be completed by Developer's counsel, subject to City approval.]
(Sub)Exhibit "H-1".
(To 4715 North Western Apartments Redevelopment Agreement)

Project Budget.

<table>
<thead>
<tr>
<th>Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$4,925,000</td>
</tr>
<tr>
<td><strong>Hard Cost</strong> $</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>$29,283,597</td>
</tr>
<tr>
<td>Const Cor $</td>
<td>$1,406,067</td>
</tr>
<tr>
<td>Total $</td>
<td>$30,689,664</td>
</tr>
<tr>
<td><strong>Commercial Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>$2,529,691</td>
</tr>
<tr>
<td>Com Contingency</td>
<td>$155,193</td>
</tr>
<tr>
<td>Com Other</td>
<td>$574,156.00</td>
</tr>
<tr>
<td>Total Commercial Costs</td>
<td>$3,259,040</td>
</tr>
<tr>
<td><strong>Soft Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Architect</td>
<td>$750,000</td>
</tr>
<tr>
<td>Engineering</td>
<td>$365,750</td>
</tr>
<tr>
<td>Loan Origination</td>
<td>$219,250</td>
</tr>
<tr>
<td>Legal</td>
<td>$442,315</td>
</tr>
<tr>
<td>Marketing</td>
<td>$205,500</td>
</tr>
<tr>
<td>Construction Loan Interest</td>
<td>$1,938,420</td>
</tr>
<tr>
<td>Environmental Reports</td>
<td>$149,678</td>
</tr>
<tr>
<td>Reserves</td>
<td>$1,684,407</td>
</tr>
<tr>
<td>Tax Credit Issuer Fees</td>
<td>$95,575</td>
</tr>
<tr>
<td>Bond Issuance Costs</td>
<td>$</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>$2,291,712</td>
</tr>
<tr>
<td>Other soft costs</td>
<td>$1,034,644</td>
</tr>
<tr>
<td>Total Soft Costs</td>
<td>$9,177,251</td>
</tr>
<tr>
<td><strong>Total Development Costs</strong></td>
<td>$48,050,955</td>
</tr>
</tbody>
</table>
(Sub)Exhibit "H-2".
(To 4715 North Western Apartments Redevelopment Agreement)

MBE/WBE Budget.

Project Hard Costs: $29,283,597

Project Soft Costs (Architecture, Engineering, soil testing): 1,140,750

Project MBE/WBE Total Budget: $30,424,347

Project MBE Total at 26 percent: $7,910,330

Project WBE Total at 6 percent: $1,825,461

(Sub)Exhibit "K".
(To 4715 North Western Apartments Redevelopment Agreement)

Requisition Form.

State of Illinois )

) SS.

County of Cook )

The affiant, ______________, ______________ of ______________, a ______________ (the "Developer"), hereby certifies that with respect to that certain ______________ Redevelopment Agreement between Developer and the City of Chicago dated __________, _____ (the "Agreement"):

A. Expenditures for the Project, in the total amount of $__________, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

   $__________

C. Developer requests reimbursement for the following cost of TIF-Funded Improvements:

   $__________
D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. Developer hereby certifies to the City that, as of the date hereof:

   1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and Developer is in compliance with all applicable covenants contained herein.

   2. No Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

[Developer]

By: ______________________________________

   Name

Title: ______________________________________

Subscribed and sworn before me this _____ day of ___________ ______.

__________________________________________

My commission expires: ____________

Agreed and Accepted:

__________________________________________

   Name

Title: ______________________________________

City of Chicago,
Department of Planning and Development
APPROVAL OF LOAN RESTRUCTURING TO PARKSIDE TERRACES LIMITED PARTNERSHIP FOR ACQUISITION AND REHABILITATION OF APARTMENT BUILDINGS AT 128 -- 130 N. PARKSIDE AVE. AND 143 N. PARKSIDE AVE.

[O2023-1394]

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance concerning the authority to enter into a loan restructuring agreement with Parkside Terrace Apartments LLC, for properties located at 128 -- 130 North Parkside Avenue and 143 North Parkside Avenue located in the 29th Ward (O2023-1394), having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.
The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois and, as such, may legislate as to matters that pertain to its local government and affairs; and

WHEREAS, The City has determined that the continuance of a shortage of affordable housing for persons of low- and moderate-income is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, The City, pursuant to its Multi-Family Loan Program, received from the United States Department of Housing and Urban Development an allocation of Community Development Block Grant funds ("CDBG Funds") to make loans and grants to expand the long-term supply of affordable housing through, among other things, acquisition, new construction, reconstruction and moderate and substantial rehabilitation in low- and moderate-income areas; and

WHEREAS, On December 1, 1995, the City made a loan of CDBG Funds in the principal amount of $3,613,188, with an interest rate of zero percent per annum and a term through December 1, 2022 (the "Loan"), to Parkside Terraces Limited Partnership, an Illinois limited partnership ("Borrower"); and

WHEREAS, The Loan was secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement dated as of December 1, 1995, made by the Borrower in favor of the City (the "Mortgage"); and

WHEREAS, Proceeds of the Loan were used to provide for the acquisition, rehabilitation and equipping by the Borrower of two separate apartment buildings containing a total of 62 rental units, located at 128 – 130 North Parkside Avenue and 143 North Parkside Avenue, Chicago, Illinois 60644 (the "Property"); and

WHEREAS, The sole general partner of the Borrower is Parkside Terrace Apartments LLC, an Illinois limited liability company, whose managing member is Mercy Properties, Inc., a Colorado not-for-profit corporation; and

WHEREAS, The Borrower has requested that the City approve a proposed restructuring of the Loan; and

WHEREAS, The City's Department of Housing ("DOH") desires to approve a restructuring (the "Restructuring") of the Loan in a manner that, (1) will not alter the principal balance of the Loan, (2) will not alter the interest rate on the principal balance of the Loan, (3) will extend the maturity date of the Loan, and (4) may modify certain repayment terms of the Loan (collectively, the "Material Terms"); now, therefore,
Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Restructuring is hereby approved as described above. The Commissioner of DOH (the “Commissioner of DOH”) or a designee of the Commissioner of DOH (each, an “Authorized Officer”) are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Restructuring. Each Authorized Officer is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments and perform any and all acts as shall be necessary or advisable in connection with any future restructuring of the Loan that does not substantially modify the Material Terms.

SECTION 3. Notwithstanding anything to the contrary contained in the Municipal Code of Chicago or any other ordinance or mayoral executive order, no parties other than the owners of the Property as of the date following the date of the closing of the Restructuring (collectively, the “Owner”), any legal entities that are direct owners in excess of 7.5 percent of the Owner that changed in connection with the Restructuring, and all legal entities that constitute the direct or indirect controlling parties of the Owner (as determined by the Corporation Counsel) shall be required to provide to the City the document commonly known as the “Economic Disclosure Statement and Affidavit” (or any successor to such document) in connection with the Restructuring.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, of part thereof is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage and approval.

SECOND AMENDMENT TO MADISON/AUSTIN CORRIDOR TAX INCREMENT FINANCING (TIF) REDEVELOPMENT PROJECT AND PLAN REGARDING EXTENSION OF COMPLETION DATES AND RETIREMENT OF TAX INCREMENT FINANCING DEBT OBLIGATIONS.

[O2023-1382]

The Committee on Finance submitted the following report:
CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending a proposed ordinance concerning the authority to make a second amendment to the Madison/Austin Corridor Tax Increment Financing (TIF) Redevelopment Project and Plan (O2023-1382), having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to ordinances adopted on September 29, 1999, and published in the Journal of the Proceedings of the City Council of the City of Chicago (the "Journal") for such date at pages 11506 to 11662, and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), the City Council (the "Corporate Authorities") of the City of Chicago (the "City"): (i) approved a redevelopment plan and project (the "Original Plan") for a portion of the City known as
the "Madison/Austin Corridor Redevelopment Project Area" (the "Area") (the "Original Plan Ordinance"); (ii) designated the Area as a "redevelopment project area" within the requirements of the Act (the "Designation Ordinance"); and (iii) adopted tax increment financing for the Area (the "TIF Adoption Ordinance" and together with the Original Plan Ordinance and the Designation Ordinance, referred to herein collectively as the "TIF Ordinances"); and

WHEREAS, The Corporate Authorities amended the Original Plan Ordinance pursuant to an ordinance adopted on November 3, 2004, and published in the Journal for such date at pages 34555 to 34569 ("Amendment Number 1" and together with the Original Plan, the "Plan"); and

WHEREAS, The Original Plan established the estimated dates of completion of the redevelopment project described in the Plan and of the retirement of obligations issued to finance redevelopment project costs to be September 29, 2022, which date is not more than twenty-three (23) years from the date of the adoption of the Designation Ordinance, and the Corporate Authorities made a finding in the Original Plan Ordinance that such date was not more than twenty-three (23) years from the date of the adoption of the Designation Ordinance in accordance with the provisions of Section 11-74.4-3(n)(3) of the Act in effect on the date of adoption of the TIF Ordinances; and

WHEREAS, Public Act 91-478, which became effective November 1, 1999, amended Section 11-74.4-3(n)(3) of the Act, among other things, to provide that the estimated dates of completion of certain redevelopment projects and retirement of obligations issued to finance redevelopment project costs shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 11-74.4-B(b) of the Act is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving a redevelopment project area is adopted; and

WHEREAS, Amendment Number 1 extended the completion date of redevelopment projects and retirement of obligations issued to finance redevelopment project costs in the Area to December 31, 2023; and

WHEREAS, Public 102-1113 (the "Amendatory Act"), which became effective December 21, 2022, amended the Act, among other things, to add the Area to the list of authorized redevelopment project areas set forth in Section 11-74.4-3.5(c) of the Act by which redevelopment projects must be completed and obligations issued to finance redevelopment project costs must be retired to be no later than December 31 of the year in which the payment to a municipal treasurer as provided in Section 11-74.4-8(b) of the Act is to be made with respect to ad valorem taxes levied in the 35th calendar year after the year in which the ordinance approving a redevelopment project area is adopted; and

WHEREAS, The Corporate Authorities desire further to amend and supplement the Plan to conform to Section 11-74.4-3.5(c) of the Act, as amended by the Amendatory Act, in accordance with the procedures set forth in Section 11-74.4-3(n)(3) of the Act; now, therefore,
Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. Approval Of Amendment Number 2 To The Plan. "Amendment Number 2 to the Madison/Austin Corridor Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project", a copy of which is attached hereto as Exhibit A, is hereby approved.

SECTION 3. Finding. The Corporate Authorities hereby find that the estimated dates of completion of the redevelopment project described in the Plan and of the retirement of obligations issued to finance redevelopment project costs set forth in the Plan, as amended by Amendment Number 2, conform to the provisions of Section 11-74.4-3(n)(3) and Section 11-74.4-3.5(c) of the Act.

SECTION 4. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 5. Superseder. All ordinances (including, without limitation, the TIF Ordinances), resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflicts.

SECTION 6. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

Amendment No. 2 To The Madison/Austin Corridor Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan And Project.

1. In Section 5 entitled, "Financial Plan," subsection "Phasing and Scheduling of the Redevelopment," the last sentence shall be deleted and replaced with the following:

"The Redevelopment Plan shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year following the year in which the ordinance approving the RPA was adopted (by December 31, 2035)."
SETTLEMENT AGREEMENT REGARDING CASE OF SWART, ET AL. V. CITY OF CHICAGO, ET AL.

[Or2023-149]

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed order authorizing the Corporation Counsel to enter into and execute a settlement order for the following case: Swart, et al. v. City of Chicago, et al., cited as 2019 C 6213 (N.D. IL) (J. Blakey), in the amount of $205,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting vote.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the said proposed order transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement in the following matter: Swart, et al. v. City of Chicago, et al., cited as 2019 C 6213 (N.D. IL) (J. Blakey), in the amount of $205,000.
PAYMENT OF MISCELLANEOUS REFUNDS, COMPENSATION FOR PROPERTY DAMAGE, ET CETERA.
[Or2023-134]

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the payment of various small claims against the City of Chicago, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the said proposed order transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the City Comptroller is authorized and directed to pay the following named claimants the respective amounts set opposite their names, said amount to be paid in full and final settlement of each claim on the date and location by type of claim as follows:

[List of claimants printed on pages 62465 and 62466 of this Journal.]
# City Of Chicago

## Journal Report for City Council GL Claims

### April 19, 2023

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<th>Last Name</th>
<th>First Name</th>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>DOL</th>
<th>Total Paid</th>
<th>Payee</th>
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**Number of Split Claims:** 5  
**Total Amount:** $3,855.00
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Total of Split Claims: 32  $13,193.23

Total of Split Claims: 37  $17,048.23
Do Not Pass -- CLAIMS FOR VARIOUS REFUNDS.

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance, small claims division, to which was referred on July 4, 2021 and on subsequent dates, sundry claims for various refunds, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Do Not Pass said claims for payment.

This recommendation was concurred in by a viva voce vote of the members of the committee, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the committee's recommendation was Concurred In by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

[List of claimants printed on pages 62468 and 62469 of this Journal.]
## Denied Claims by Claim Name

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Placed On File -- JUDGMENT AND SETTLEMENT REPORT FOR MONTH OF MARCH 2023.

The Committee on Finance submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Finance having under consideration a communication transmitting a list of cases in which judgments or settlements were entered into for the month of March 2023, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Place on File the communication transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes.

Respectfully submitted,

(Signed) SCOTT WAGUESPACK,
Chairman.

On motion of Alderman Waguespack, the committee's recommendation was Concurred In and said list of cases and report were Placed on File.

COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS.

SUPPLEMENTAL APPROPRIATION AND AMENDMENT OF YEAR 2023 ANNUAL APPROPRIATION ORDINANCE WITHIN FUND NO. 925.

The Committee on the Budget and Government Operations submitted the following report:
CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, to which was referred a substitute ordinance concerning an amendment to the Annual Appropriation Ordinance Year 2023 within Fund Number 925 for Department of Housing, Department of Public Health, Department of Family and Support Services, Chicago Police Department and the Office of Emergency Management and Communications (SO2023-1387), having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a vote of the members of the committee present, with no dissenting votes on April 17, 2023.

Respectfully submitted,

(Signed) PAT DOWELL,
Chairman.

On motion of Alderman Dowell, the said proposed substitute ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The Annual Appropriation Ordinance for the year 2023 (the "2023 Appropriation Ordinance") of the City of Chicago (the "City") contains estimates of revenues receivable as grants from agencies of the state and federal governments and public and private agencies; and
WHEREAS, The City through its Department of Housing ("DOH") has received a full repayment of a multifamily housing loan of Community Development Block Grant ("CDBG") funds in the amount of $4,000,000, which funds are program income originally granted to the City by the United States Department of Housing and Urban Development ("HUD"), and wishes to make such funds available to support additional programming under the CDBG program; and

WHEREAS, The City through DOH has been awarded federal grant funds in the amount of $2,000,000 by HUD for the Prairie District Affordable Housing program; and

WHEREAS, The City through DOH has been awarded federal grant funds in the amount of $2,000,000 by HUD for the South Shore Homeownership Preservation program; and

WHEREAS, The City through DOH has been awarded federal grant funds in the amount of $200,000 by the National Football League Foundation for the Crisis Assistance Response and Engagement -- Social Justice program; and

WHEREAS, The City through CDPH has been awarded private grant funds in the amount of $133,000 by the Pritzker Pucker Family Foundation for the Crisis Assistance Response and Engagement -- Behavioral Health program; and

WHEREAS, The City through CDPH has been awarded private grant funds in the amount of $200,000 by the National Football League Foundation for the Crisis Assistance Response and Engagement -- Social Justice program; and

WHEREAS, The City through CDPH has been awarded additional federal carryover grant funds in the amount of $95,000 by HUD for the Housing Opportunities for People with AIDS ("HOPWA") Housing and Health Study program; and

WHEREAS, The City through CDPH has been awarded federal carryover grant funds in the amount of $24,000 by the United States Department of Health and Human Services ("HHS") for the Lead Poisoning Surveillance program; and

WHEREAS, The City through CDPH has been awarded federal grant funds in the amount of $1,662,000 by HHS for the Public Health Crisis Response program; and

WHEREAS, The City through CDPH has been awarded additional state carryover grant funds in the amount of $199,000 by the Illinois Department of Public Health for the Tobacco Free Communities program; and

WHEREAS, The City through its Department of Family and Support Services ("DFSS") has been awarded federal pass-through COVID-19 grant funds in the amount of $170,000 by the Illinois Department on Aging ("IDOA") for the Adult Protective Services program; and

WHEREAS, The City through DFSS has been awarded additional federal pass-through carryover grant funds in the amount of $1,208,000 by IDOA for the Area Plan on Aging program; and
WHEREAS, The City through DFSS has been awarded state grant funds in the amount of $113,000 by the Illinois Department of Human Services for the Emergency and Transitional Housing program; and

WHEREAS, The City through DFSS has been awarded additional state carryover grant funds in the amount of $29,000 by IDOA for the Medicare Improvements for Patients and Providers Act program; and

WHEREAS, The City through its Office of Public Safety Administration ("OPSA") has been awarded federal pass-through grant funds in the amount of $5,000 by the National Association of VOCA Assistance Administrators for the Community Awareness Project program and wishes to allocate the entire amount to the Department of Police ("CPD"); and

WHEREAS, The City through CPD has been awarded additional federal grant funds in the amount of $250,000 by the United States Department of Justice ("DOJ") for the Law Enforcement Agency De-Escalation Grants -- Community Policing program; and

WHEREAS, The City through CPD has been awarded additional federal carryover grant funds in the amount of $50,000 by DOJ for the Law Enforcement Mental Health and Wellness program; and

WHEREAS, The City through OPSA has been awarded federal pass-through grant funds in the amount of $702,000 by the Illinois Emergency Management Agency for the Emergency Management Assistance program and wishes to allocate the entire amount to the Office of Emergency Management and Communications; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The amount of $12,840,000 is hereby appropriated from Fund 925 -- Grant Funds for the year 2023. The 2023 Annual Appropriation Ordinance is hereby amended by striking the words and figures and adding the words and figures indicated in the attached Exhibit A which is hereby made a part hereof.

SECTION 2. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 3. This ordinance shall be in full force and effect upon its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:
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<th>Department And Grant Name</th>
<th>Department And Item</th>
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<th>2023 Anticipated Grant</th>
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<th>Add Amount (2023 Total)</th>
<th>Includes Anticipated Carryover</th>
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<td>Strike Amount (2023 Total) Includes Anticipated Carryover</td>
<td>Add Amount (2023 Total) Includes Anticipated Carryover</td>
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COMMITTEE ON COMMITTEES AND RULES.

CORRECTIONS OF DECEMBER 14, 2022 CITY COUNCIL JOURNAL OF PROCEEDINGS.

The Committee on Committees and Rules submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Committees and Rules, which met on April 18, 2023, having had under consideration two proposed ordinances correcting the Journal of the Proceedings of the City Council of the City of Chicago of December 14, 2022 (O2023-1014 and O2023-1117), begs leave to recommend that Your Honorable Body Pass the proposed ordinances transmitted herewith.

This recommendation was concurred in by the Committee on Committees and Rules.

Sincerely,

(Signed) MICHELLE A. HARRIS,
Chairman.
On motion of Alderman Harris, the said proposed ordinances transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following are said ordinances as passed (the italic heading in each case not being a part of the ordinance):

*Pages 58278 -- 58304.*

**Be It Ordained by the City Council of the City of Chicago:**

SECTION 1. The ordinance (SO2022-3777) passed by the City Council of the City of Chicago on December 14, 2022 amending Titles 2, 4, 11, 14A, 14B, 17 and 18 of the Municipal Code of Chicago and printed in the *Journal of the Proceedings of the City Council of the City of Chicago*, pages 58278 through 58304 is hereby corrected by deleting the first through last lines appearing on page 58297 and inserting in lieu thereof the language attached hereto as Exhibit "A".

SECTION 2. This ordinance shall be in force and effect and shall be deemed to apply retroactively to December 14, 2022.

Exhibit "A" referred to in this ordinance reads as follows:
Exhibit "A".

built to conform to the specifications and dimensions for meter vaults issued by the Commissioner of Water Management.

SECTION 8. Section 18-29-604.8.1 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

18-29-604.8.1 Valve-design [Reserved].
The pressure reducing valve shall be designed to remain open to allow uninterrupted water flow in case of valve failure.

SECTION 9. Section 18-29-604.9 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

18-29-604.9 Water hammer.
The flow of velocity of the water distribution system shall be controlled to reduce the possibility of water hammer. An air chamber or water-hammer arrestor shall be installed where quick-closing valves are utilized. Water-hammer arrestors shall be installed in accordance with the manufacturer’s instructions. Water-hammer arrestors shall conform to ASSE 1010. Air chambers shall comply with Section 18-29-604.9.1.

18-29-604.9.1 Air chambers.
An air chamber that is installed in a fixture supply shall be 12 inches (304.8 mm) in length and the same diameter as the fixture supply, or an air chamber with an equivalent volume may be used. An air chamber that is installed in a riser shall be 12 inches (304.8 mm) in length and at least the same diameter as the riser.

SECTION 10. Section 18-29-605.14 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

18-29-605.14 Copper pipe [Reserved].
Joints between copper or copper-alloy pipe or fittings shall comply with Sections 18-29-605.14.1 through 18-29-605.14.5.

18-29-605.14.1 Brazed joints.
Joints surfaces shall be cleaned. An approved flux shall be applied where required. The joint shall be brazed with a filler metal conforming to AWS A5.8.

18-29-605.14.2 Mechanical joints.
Mechanical joints shall be installed in accordance with the manufacturer’s instructions.

18-29-605.14.3 Soldered joints.
Solder joints shall be made in accordance with ASTM B828. All cut tube ends shall be reamed to the full inside diameter of the tube end. All joint surfaces shall be cleaned. A flux conforming to ASTM B813 shall be applied. The joint shall be soldered with a solder.
Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Ordinance (SO2022-2630) reclassifying the area shown on Map Number 1-F, as amended, Application Number 21130, for common address at 369 West Grand Avenue, which was passed on December 14, 2022 and printed in the Journal of the Proceedings of the City Council of the City of Chicago on pages 58496 through 58503 is hereby corrected by deleting the Planned Development Number "1425" appearing on the 10th line from the top of page 58497 and inserting the Planned Development Number "1428" in lieu thereof.

SECTION 2. This ordinance shall take effect after its passage.

Re-Referred -- REDEVELOPMENT AGREEMENT WITH BR CONGRESS OWNER LLC AND CONGRESS THEATER NFP AND PROVISION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS FOR RENOVATION OF CONGRESS THEATER AT 2135 N. MILWAUKEE AVE.

The Committee on Committees and Rules submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Committees and Rules, which met on April 19, 2023, having had under consideration a proposed ordinance authorizing the execution of a TIF development agreement with BR Congress Owner LLC and Congress Theater NFP for the rehabilitation of Congress Theater (O2023-1340), begs leave to recommend that Your Honorable Body Re-Refer the proposed ordinance transmitted herewith to the Committee on Finance.

This recommendation was concurred in by the Committee on Committees and Rules.

Sincerely,

(Signed) MICHELLE A. HARRIS, Chairman.
On motion of Alderman Harris, the committee’s recommendation was Concurred In and the said proposed ordinance transmitted with the foregoing committee report was Re-Referred to the Committee on Finance by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

COMMITTEE ON ECONOMIC, CAPITAL AND TECHNOLOGY DEVELOPMENT.

APPOINTMENT OF HENRY LUNA AS MEMBER OF BELMONT CENTRAL COMMISSION (SPECIAL SERVICE AREA NO. 2).

[A2023-17]

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the appointment of Henry Luna as a member of Special Service Area Number 2, the Belmont Central Commission (A2023-17), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS, Chairman.

On motion of Alderman Villegas, the committee’s recommendation was Concurred In and the said proposed appointment of Henry Luna as a member of the Belmont Central Commission (Special Service Area Number 2) was Approved by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

REAPPOINTMENT OF MICHAEL RAFFETTY AS MEMBER OF NORTH HALSTED COMMISSION (SPECIAL SERVICE AREA NO. 18).

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the reappointment of Michael Raffety as a member of Special Service Area Number 18, the North Halsted Commission (A2023-19), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS,
Chairman.

On motion of Alderman Villegas, the committee's recommendation was Concurred In and the said proposed reappointment of Michael Raffety as a member of the North Halsted Commission (Special Service Area Number 18) was Approved by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost

APPOINTMENT OF MARCO VARGAS AS MEMBER OF NORTH HALSTED COMMISSION (SPECIAL SERVICE AREA NO. 18).

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the appointment of Marco Vargas as a member of Special Service Area Number 18, the North Halsted Commission (A2023-18), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS,
Chairman.

On motion of Alderman Villegas, the committee's recommendation was Concurred in and the said proposed appointment of Marco Vargas as a member of the North Halsted Commission (Special Service Area Number 18) was Approved by yeas and nays as follows:


Nay -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

APPOINTMENT OF JANE BYERS AS MEMBER OF SOUTH WESTERN AVENUE COMMISSION (SPECIAL SERVICE AREA NO. 20).

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the appointment of Jane Byers as a member of Special Service Area Number 20, the South Western Avenue Commission (A2023-20), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS,
Chairman.

On motion of Alderman Villegas, the committee’s recommendation was Concurred In and the said proposed appointment of Jane Byers as a member of the South Western Avenue Commission (Special Service Area Number 20) was Approved by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

APPOINTMENT OF LAURA MAZIEJKA AS MEMBER OF CLARK STREET/LINCOLN PARK COMMISSION (SPECIAL SERVICE AREA NO. 23). [A2023-21]

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the appointment of Laura Maziejka as a member of Special Service Area Number 23, the Clark Street/Lincoln Park Commission (A2023-21), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS,
Chairman.

On motion of Alderman Villegas, the committee’s recommendation was Concluded In and the said proposed appointment of Laura Maziejka as a member of the Clark Street/Lincoln Park Commission (Special Service Area Number 23) was Approved by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

APPOINTMENT OF CHARLES STEWART AS MEMBER OF WEST LAKEVIEW COMMISSION (SPECIAL SERVICE AREA NO. 27).

[A2023-26]

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the appointment of Charles Stewart as a member of Special Service Area Number 27, the West Lakeview Commission (A2023-26), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS,
Chairman.

On motion of Alderman Villegas, the committee's recommendation was Concurred In and the said proposed appointment of Charles Stewart as a member of the West Lakeview Commission (Special Service Area Number 27) was Approved by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

REAPPOINTMENT OF JULIA PERKINS AS MEMBER OF 71ST/STONY ISLAND COMMISSION (SPECIAL SERVICE AREA NO. 42).

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the reappointment of Julia Perkins as a member of Special Service Area Number 42, the 71st/Stony Island Commission (A2023-22), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS, Chairman.

On motion of Alderman Villegas, the committee’s recommendation was Concurred In and the said proposed reappointment of Julia Perkins as a member of the 71st/Stony Island Commission (Special Service Area Number 42) was Approved by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

APPOINTMENT OF CARL PORTER III AS MEMBER OF CALUMET HEIGHTS/AVALON COMMISSION (SPECIAL SERVICE AREA NO. 50).

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the appointment of Carl Porter III as a member of Special Service Area Number 50, the Calumet Heights/Avalon Commission (A2023-23), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS,
Chairman.

On motion of Alderman Villegas, the committee's recommendation was Concurred In and the said proposed appointment of Carl Porter III as a member of the Calumet Heights/Avalon Commission (Special Service Area Number 50) was Approved by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.


The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the appointment of Reynaldo Arteaga as a member of Special Service Area Number 59-2022, the 59th Street Commission (A2023-24), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS,
Chairman.

On motion of Alderman Villegas, the committee's recommendation was Concurred In and the said proposed appointment of Reynaldo Arteaga as a member of the 59th Street Commission (Special Service Area Number 59-2022) was Approved by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

APPLENTMENT OF LISA ORLOFF AS MEMBER OF LAWRENCE/PULASKI/ELSTON COMMISSION (SPECIAL SERVICE AREA NO. 79).

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, recommends Approval of the appointment of Lisa Orloff as a member of Special Service Area Number 79, the Lawrence/Pulaski/Elston Commission (A2023-25), introduced on March 15, 2023, by the Honorable Lori E. Lightfoot, Mayor.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS,
Chairman.

On motion of Alderman Villegas, the committee’s recommendation was Concurred In and the said proposed appointment of Lisa Orloff as a member of the Lawrence/Pulaski/Elston Commission (Special Service Area Number 79) was Approved by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

CALL FOR HEARINGS ON REPORTING REQUIREMENTS FOR TECHNOLOGY VENDORS CONTRACTED WITH CITY AND EXPANSION OF DIVERSITY AND EQUITY WITHIN TECHNOLOGY.

[R2022-1407]

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, April 19, 2023.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on April 11, 2023, having had under consideration a resolution calling for hearings on required reporting technology vendors contracted with the city and expansion of diversity (R2022-1407), introduced on December 14, 2022, by Alderman Villegas, begs leave to recommend that Your Honorable Body Adopt said proposed resolution transmitted herewith.
This recommendation was concurred in by a voice vote of all committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) GILBERT VILLEGAS, Chairman.

On motion of Alderman Villegas, the said proposed resolution transmitted with the foregoing committee report was **Adopted** by yeas and nays as follows:


**Nays** -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said resolution as adopted:

WHEREAS, Major cities across the nation, like the City of Chicago ("City"), rely on technology as an essential part of government operation, collaboration, and innovation; and

WHEREAS, The City has historically struggled to develop, execute, and strengthen technology in an equitable manner across all 77 neighborhoods; and

WHEREAS, In 2021, Gartner -- a world-renowned research, advisory, and consulting firm -- released the “2021 IT Strategic Plan” ("Gartner Report") addressing the City's current state of technology and related roadmap for using technology to better serve Chicagoans; and

WHEREAS, The Gartner Report called on the City to overcome current challenges through a structured approach that included several recommendations such as prioritization of vendor capabilities/capacity to support modernization; and

WHEREAS, Additionally, the Gartner Report revealed the City spends over 50 percent of its IT Budget on vendors -- a significantly higher percentage than typically allocated by other cities; and
WHEREAS, The City's significant vendor spending illustrates a momentous opportunity to create and expand equity, access, and accountability with IT modernization through procurement practices that combat systemic tech barriers, while simultaneously empowering representation inclusive of those most-often experiencing such limitations; and

WHEREAS, Recognizing the power of intentional procurement practices as a serious tool in alleviating these challenges, the Mayor issued Executive Order 2021-2 ("Order") calling for reporting requirements concerning Certified Firm Utilization Transparency and Business Diversity Program Information with the goal of recovering from devastating economic impact and strengthening Chicago economy in technology; and

WHEREAS, In March of 2021, the Order took effect upon execution and filing with the City Clerk, thus, requiring the Department of Procurement Services ("DPS") to begin collection of such IT vendor reporting requirements impacted by the Order; and

WHEREAS, The Committee on Economic, Capital, and Technology Development ("ECTD") has jurisdiction over matters that directly impact the "economic and technological expansion and development of the City and economic attraction to the City" and therefore, the ECTD Committee has jurisdiction over all reporting of IT vendors impacted by the Order, in addition to any efforts to implement the Gartner Report findings; and

WHEREAS, The City of Chicago has a responsibility to ensure that taxpayer dollars awarded to IT vendors are utilized in a manner that reflects the diversity of the City and works towards ameliorating past wrongs; now, therefore,

Be It Resolved, That we the members of the City Council, call on the City of Chicago Committee on Economic, Capital, and Technology Development to hold a hearing with the Department of Procurement Services and the top Information Technology vendors that contract with the City to discuss required reported and related findings, in addition to, efforts to expand diversity and equity with technology for all Chicagoans.

COMMITTEE ON HEALTH AND HUMAN RELATIONS.

AMENDMENT OF CHAPTER 2-4 OF MUNICIPAL CODE BY ADDING NEW SECTION 2-4-120 REGARDING ESTABLISHMENT OF GENDER-BASED VIOLENCE TASK FORCE.

[O2023-1324]

The Committee on Health and Human Relations submitted the following report:
CHICAGO, April 13, 2023.

To the President and Members of the City Council:

Your Committee on Health and Human Relations, to which was referred an ordinance to amend Chapter 2-4 of the Municipal Code of Chicago by adding new Section 2-4-120 regarding establishment of a gender-based violence task force (O2023-1324), having the same under advisement, begs leave to recommend that Your Honorable Body Pass the proposed ordinance which is transmitted herewith.

This recommendation was concurred in by the same roll call vote as was applied to determine quorum with 16 members present, with no dissentions.

Respectfully submitted,

(Signed) RODERICK T. SAWYER,
Chairman.

On motion of Alderman Sawyer, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Chapter 2-4 of the Municipal Code of Chicago is hereby amended by adding a new Section 2-4-120, as follows:

2-4-120 Gender-Based Violence Task Force.

(a) The Mayor shall create a gender-based violence task force. The purpose of the task force is to build a whole-of-government approach to address the pervasiveness of gender-based violence and human trafficking. The task force shall advise the Mayor on how to:
(1) increase capacity and expertise within City departments to address gender-based violence and human trafficking; and

(2) enhance coordination of prevention and intervention efforts among City departments and with key outside organizations focused on preventing gender-based violence and human trafficking; and

(3) improve law enforcement response to gender-based violence; and

(4) shift cultural norms on what constitutes gender-based violence and human trafficking and its acceptability; and

(5) collect, analyze, and use data and research to enhance gender-based violence and human trafficking intervention efforts; and

(6) create alternate responses to gender-based violence and human trafficking outside of the criminal justice system; and

(7) reform policies that perpetuate or create opportunities for gender-based violence and human trafficking.

(b) The task force shall be made up of a minimum of 10 members and a maximum of 17 members. The Commissioner of Family Support Services and the Commissioner of Public Health shall serve ex officio as members. One member shall be a member of the Advisory Council on Women and one member shall be a member of the Advisory Council on LGBTQ+ issues as those councils are established under Section 2-120-500. The Mayor shall appoint the membership and shall prioritize representatives from community-based organizations that focus on one or more of the following areas to be members on the task force:

(1) Sexual assault; and

(2) Domestic violence; and

(3) Human trafficking; and

(4) Sexual harassment and workplace violence; and

(5) Indigenous populations; and

(6) Immigrants; and

(7) People with disabilities; and

(8) LGBQTIA+ communities; and

(9) Philanthropy.
The Mayor shall designate a chairperson and vice-chairperson for the task force. Members shall not be compensated by the City for their service on the task force. Except for the ex officio members, appointees shall be appointed and hold office for two years. Vacancies on the task force shall be filled within 90 days.

The task force shall meet at least quarterly. Additional meetings may be called by the chairperson of the task force or by a majority of the members of the task force. A majority of members of the task force shall constitute a quorum.

(c) When appropriate, the task force may invite others, such as representatives of other governmental units and subject matter experts, to assist the task force in carrying out the duties of subsection (a).

SECTION 2. The gender-based violence task force shall be appointed by July 1, 2023.

SECTION 3. This ordinance shall be in full force and effect upon passage and approval.

AMENDMENT OF CHAPTERS 2-44 AND 2-50 OF MUNICIPAL CODE BY ADDING NEW SECTIONS 2-44-070 AND 2-50-085 TO REQUIRE ANNUAL REPORTS FROM DEPARTMENT OF FAMILY AND SUPPORT SERVICES AND DEPARTMENT OF HOUSING ON EFFORTS TO ADDRESS HOMELESSNESS.

[SO2023-1011]

The Committee on Health and Human Relations submitted the following report:

CHICAGO, April 13, 2023.

To the President and Members of the City Council:

Your Committee on Health and Human Relations, to which was referred a substitute ordinance to amend the Municipal Code to require reports from relevant department(s) on efforts to address homelessness (SO2023-1011), begs leave to recommend that Your Honorable Body Pass the proposed substitute ordinance which is transmitted herewith.

This recommendation was concurred in by the same roll call vote as was applied to determine quorum with 16 members present, with no dissentions.

Respectfully submitted,

(Signed) RODERICK T. SAWYER,
Chairman.
On motion of Alderman Sawyer, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, On December 19, 2022, the Biden-Harris administration released a federal strategic plan to reduce homelessness by 25 percent by January 2025 -- an ambitious plan that will put us on the path to prevent and end homelessness in the United States; and

WHEREAS, Each city, including Chicago, has been offered a roadmap for not only getting people into housing but also ensuring they have access to the support, services, and income that will allow them to live to their full potential; and

WHEREAS, An annual report of the City's efforts to address homelessness incentivizes City leaders and officials to stay informed and focused on interventions to help us meet the federal government's goal of reducing homelessness by 25 percent by January 2025; and

WHEREAS, The City's 2023 budget adopted seven principles to address homeless encampments as outlined by the U.S. Interagency Council on Homelessness to help further guide its efforts to addressing the plight of those living in encampments, and a report on the progress of the implementation of those seven principles will help to ensure that City leaders and officials remain focused on a consistent plan that will produce good outcomes; and

WHEREAS, The experiences of people encountering homelessness are complex, and the City Council's understanding of all the many different complexities will enable them to assist the Department of Family and Support Services ("DFSS") and the Department of Housing ("DOH") with their efforts to address homelessness and housing; and

WHEREAS, Preventing and ending homelessness is a complex challenge supported by many partners, including DFSS, DOH, the Department of Public Health, the Chicago Housing Authority, the Chicago Continuum of Care, the Chicago Low-Income Housing Trust Fund, and all non-profits that may or may not receive City funding; and

WHEREAS, An annual report from DFSS and DOH to the appropriate committee will educate members of the City Council on ways to support the efforts of DFSS and DOH to combat this issue, and will serve as a guide during the City Council's annual budget meetings; now, therefore,
Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Chapter 2-44 of the Municipal Code of the City of Chicago is hereby amended by inserting a new Section 2-44-070, as follows:

2-44-070 Annual Report On Homelessness And Housing.

(a) On or before July 31, 2023, and then May 31 of each year thereafter, the commissioner, in conjunction with the Commissioner of Family and Support Services, shall submit an annual report to the appropriate City Council committee on the progress made to address homelessness and housing within the City. The report shall include, but not be limited to, the departments' and delegate agencies' progress on implementing the seven principles for addressing encampments outlined by the United States Interagency Council on Homelessness and codified in the City's 2023 budget ordinance. The report shall also include supporting information from the Chicago Continuum of Care's annual reports to the United States Department of Housing and Urban Development and from other stakeholders as deemed relevant by the commissioner and the Commissioner of Family and Support Services.

(b) The annual report shall be made publicly available on the Department's website within five business days of its submission to the appropriate City Council committee.

SECTION 2. Chapter 2-50 of the Municipal Code of the City of Chicago is hereby amended by inserting a new Section 2-50-085, as follows:

2-50-085 Annual Report On Homelessness And Housing.

(a) On or before July 31, 2023, and then May 31 of each year thereafter, the Commissioner of the Department of Family and Support Services, in conjunction with the Commissioner of the Department of Housing, shall submit an annual report to the appropriate City Council committee on the progress made to address homelessness and housing within the City. The report shall include, but not be limited to, the departments' and delegate agencies' progress on implementing the seven principles for addressing encampments outlined by the United States Interagency Council on Homelessness and codified in the City's 2023 budget ordinance. The report shall also include supporting information from the Chicago Continuum of Care's annual reports to the United States Department of Housing and Urban Development and from other stakeholders as deemed relevant by the Commissioner of Family and Support Services and the Commissioner of Housing.

(b) The annual report shall be made publicly available on the Department of Family and Support Service's website within five business days of its submission to the appropriate City Council committee.

SECTION 3. This ordinance shall take effect upon its passage and publication.
CALL ON U.S. CONGRESS TO PASS HOUSE JOINT RESOLUTION REMOVING DEADLINE FOR RATIFICATION OF EQUAL RIGHTS AMENDMENT AND ESTABLISHING 28TH AMENDMENT OF U.S. CONSTITUTION.

[R2023-499]

The Committee on Health and Human Relations submitted the following report:

CHICAGO, April 13, 2023.

To the President and Members of the City Council:

Your Committee on Health and Human Relations, to which was referred a resolution calling on Congress to pass House joint resolution removing deadline for ratification of equal rights amendment and establishing 28th Amendment of U.S. Constitution (R2023-499), having had the same under advisement, begs leave to report and recommend that Your Honorable Body Adopt the proposed resolution transmitted herewith.

This recommendation was adopted by the same roll call vote as was applied to determine quorum with 16 members present, with no dissentions.

Respectfully submitted,

(Signed) RODERICK T. SAWYER,
Chairman.

On motion of Alderman Sawyer, the said proposed resolution transmitted with the foregoing committee report was Adopted by yeas and nays as follows:


Nays -- None.

Alderman Cappleman moved to reconsider the foregoing vote. The motion was lost.

The following is said resolution as adopted:

WHEREAS, As we celebrate Women's History with a dedication to often overlooked contributions -- women and other marginalized genders -- are reminded that awareness of their inequities and underrepresentation continues to be needed for the unforeseeable future; and
WHEREAS, On August 18, 1920, history was made when women were granted the right to vote in the 19th Amendment — after 70 years and a 15-month ratification battle securing the women's suffrage amendment; and

WHEREAS, In 1923, history was ignited as Alice Paul began pursuit of the Equal Rights Amendment ("ERA") by proposing her draft to Congress, stating "[m]en and women shall have equal rights throughout the United States and every place subject to its jurisdiction"; and

WHEREAS, After being introduced in every Congress for 49 years, the ERA finally passed in 1972, sending the proposed amendment to the states for ratification with a 7-year deadline that extended and expired; and

WHEREAS, Recently, as more women have been elected to government and years of Justice Ginsburg's continued efforts to establish full gender equality under the 14th Amendment — a revival of gender equity has made its way back to the "nation's agenda"; and

WHEREAS, Even with these successes, a patchwork of state laws remains that endangers women's health, safety, reproductive rights, and freedoms under the law; and

WHEREAS, On January 31, 2023, a joint resolution was introduced in the House, providing that the Equal Rights Amendment was ratified and is thus, a valid constitutional amendment — calling into issue the implications and enforceability of such a resolution; and

WHEREAS, The Brennan Center's Women noted that, "the ERA would empower Congress to enforce gender equity through legislation and, more generally, the creation of a social framework to formally acknowledge systemic biases that permeate and often limit women's daily experiences"; and

WHEREAS, The Columbia Law School noted that Article V of the Constitution finds that "[a]uthority to propose and ratify amendments lies fully in the political process, in Congress, state legislatures and/or constitutional conventions"; and

WHEREAS, The Columbia Law School further elaborated that examples of legal uncertainties in previous amendments further support the joint resolution, especially as the 27th Amendment was proposed by the First Congress and then took more than 200 years to be ratified by 38 legislatures, but is now accepted as part of the Constitution; and

WHEREAS, During the U.S. Senate Committee on the Judiciary Hearing on February 28, 2023, S. Mona Sinha stated that "the vast majority of countries around the world recognize the pervasive harm arising from sex inequality and the need for express constitutional guarantees of equality on the basis of sex. The United States is a global outlier in not having a constitutional equality provision..."; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 19th day of April 2023, do hereby call on the United States Congress to pass the House Joint Resolution Removing the Deadline for the Ratification of the Equal Rights Amendment and finally establish the long-awaited and much needed 28th Amendment as part of the Constitution and in furtherance of gender equity.
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