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EXECUTION DRAFT

**JMC STEEL GROUP, INC
HEADQUARTERS PROJECT**

TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC
REDEVELOPMENT AGREEMENT**

DATED AS OF November 15, 2013

BY AND BETWEEN

THE CITY OF CHICAGO

AND

JMC STEEL GROUP, INC.,
a Delaware corporation

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

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC
HEADQUARTERS PROJECT
REDEVELOPMENT AGREEMENT**

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**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC
HEADQUARTERS PROJECT
REDEVELOPMENT AGREEMENT**

LIST OF SCHEDULES AND EXHIBITS

Schedules

Schedule A	Definitions
Schedule B	Insurance Requirements

Exhibits

Exhibit A	*Redevelopment Area Legal Description
Exhibit B-1	*Legal Description of the Building/Property
Exhibit B-2	Legal Description of the Wheatland Tube Facility
Exhibit B-3	Legal Description of the Atlas Tube Facility
Exhibit B-4	Site Plan for the Project / Headquarters Space
Exhibit C	Redevelopment Plan
Exhibit D-1	*Project Budget
Exhibit D-2	*Construction (MBE/WBE) Budget
Exhibit E	Schedule of TIF-Funded Improvements
Exhibit F	Form of Letter of Credit
Exhibit G	Construction Contract
Exhibit H	Approved Prior Expenditures
Exhibit I	Permitted Liens
Exhibit J	Opinion of Developer's Counsel
Exhibit K	Reserved
Exhibit L	Form of Payment and Performance Bond
Exhibit M	Reserved
Exhibit N	City Funds Requisition Form

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

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

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**JMC STEEL GROUP, INC
HEADQUARTERS PROJECT**

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC
REDEVELOPMENT AGREEMENT**

This JMC Steel Group, Inc. Redevelopment Agreement (the "**Agreement**") is made as of this 15 day of November, 2013, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Housing and Economic Development ("**HED**"), and JMC Steel Group, Inc., a Delaware corporation ("**Developer**").

RECITALS:

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

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

C. City Council Authority: To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on November 15, 2006, and amended and corrected the ordinances on February 7, 2007 and May 9, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the LaSalle Central Redevelopment Project Area" (the "**Plan Adoption Ordinance**"); (2) "An Ordinance of the City of Chicago, Illinois Designating the LaSalle Central 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 LaSalle Central Redevelopment Project Area" (the "**TIF Adoption Ordinance**"). Collectively the three ordinances are defined as the "**TIF Ordinances**". The redevelopment project area (the "**Redevelopment Area**") is legally described in Exhibit A.

D. The Project: Developer is the successor in interest to the John Maneely Company, a Pennsylvania corporation, which was founded in 1877. Developer is a manufacturer of piping and tubing with a network of 12 facilities across the United States and Canada. Developer presently employs about 1,750 employees and is presently headquartered in Chicago, Illinois. Developer's former headquarters was in Beachwood, Ohio and Developer is transitioning to Chicago. Developer presently has about 336 full-time employees in Chicago at 2 facilities: the Wheatland Tube facility at 4435 S. Western Avenue, ("**Wheatland Tube**") which employs about 153 employees, and the Atlas Tube facility at 1855 East 122nd Street ("**Atlas Tube**") which employs about 183 employees. A legal description of the Wheatland Tube facility is Exhibit B-2. A legal description of the Atlas Tube facility is Exhibit B-3.

Developer desires to relocate its corporate headquarters to Chicago and has requested TIF assistance from HED in support of this relocation. Developer proposes to relocate its corporate headquarters to the AT & T Center, 227 W. Monroe Street (the "**Building**" or the "**Property**"), and to covenant to maintain its corporate headquarters in the Building for 10 years. A legal description of the Building/Property is Exhibit B-1.

Developer has presently negotiated a contingent 15-year sublease (the "**Lease**") with Citicorp North America, Incorporated ("**Sub-Landlord**") and Tishman Speyer ("**Master Landlord**") for 29,080 square feet of office space on the 26th floor of the Building (the "**Headquarters Space**"). A site plan for the Headquarters Space, is Exhibit B-4. Developer contemplates constructing substantial tenant improvements to build-out the Headquarters Space for use as Developer's corporate headquarters (the "**Headquarters**"). All construction will be LEED certified for Commercial Interiors (as defined below). Construction and build-out of the Headquarters Space is defined as the "**Project**".

Within 4 years from the issuance of the certificate of completion for the Project, Developer will covenant to employ 100 FTE employees at its Headquarters, with 50 FTE employees being newly-hired or relocated from Ohio, and 50 FTE employees transferred from Atlas Tube. Thereafter, Developer will covenant to retain 153 FTE employees at Wheatland Tube and 133 FTE employees at Atlas Tube.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago LaSalle Central Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the "**Redevelopment Plan**") attached as Exhibit C, as amended from time-to-time, included in the Plan Adoption Ordinance and published at pages 92019 to 92114 of the Journal of the Proceedings of the City Council for November 15, 2006.

F. City Financing and Assistance: Subject to Developer fulfilling its obligations under this Agreement required to obligate the City to do so, the City will make cash payments to Developer, in the amounts stated in Section 4.03, to reimburse Developer out of Available Incremental Taxes (as defined below) as provided in this Agreement for the costs of the TIF-Funded Improvements (as defined below) under 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 (as defined below) as provided in a TIF bond ordinance (the "**TIF Bond Ordinance**"), at a later date as described and conditioned in Section 4.07. The proceeds of the TIF Bonds (the "**TIF Bond Proceeds**") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

AGREEMENT:

ARTICLE ONE: INCORPORATION OF RECITALS

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

ARTICLE TWO: DEFINITIONS

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

ARTICLE TWO-A: TERMINATION OF PRIOR AGREEMENT

As of the Closing Date of this Agreement, that certain Redevelopment Agreement dated as of September 30, 2005 and recorded October 3, 2005 as document 0527627060 by and between the City and John Maneely Company, a Pennsylvania corporation d/b/a Wheatland Tube Company, and now known as JMC Steel Group, Inc., a Delaware corporation as successor in interest (the "**2005 RDA**"), and each and every provision thereof, shall be terminated, ended and no longer of any express or implied force or effect, with all rights and duties of any party to the 2005 RDA and each and every provision thereof being extinguished, and including, but not

limited to: (i) the certificate of expenditure issued by the City under the 2005 RDA; and (ii) the promissory note issued by the City under the 2005 RDA, both of which will be tendered back to the City for cancellation on the Closing Date of this Agreement, with no payment of principal or interest due or owing and with any accrued but unpaid interest cancelled; provided, however, that the 2005 RDA Article Thirteen-Indemnification, shall survive this termination of the 2005 RDA. Also on the Closing Date, the parties will cause a release of the 2005 RDA to be recorded in the Office of the Recorder of Deeds of Cook County.

ARTICLE THREE: THE PROJECT

3.01 **The Project.** Developer has completed construction of the Project and has received its Certificate of Occupancy on October 13, 2011.

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

3.03 **Project Budget.** Developer has furnished to HED, and HED has approved, a Project Budget which is Exhibit D-1, showing total costs for the Project in an amount not less than \$4,696,602. Developer hereby certifies to the City that: (a) it has Lender Financing and/or Equity in an aggregate amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer will promptly deliver to HED copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

3.04 **Change Orders.**

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

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

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

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

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

3.07 Progress Reports and Survey Updates. After the Closing Date, on or before the 15th day of each reporting month, Developer will provide HED with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring HED's written approval under Section 3.04). Developer must also deliver to the City written monthly progress reports detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) (collectively, the "**City Requirements**"). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to HED to address and cure such shortfall. At Project completion, upon the request of HED, Developer will provide 3 copies of an updated Survey to HED reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect, if any, (other than Developer's architect) selected by the lender providing Lender Financing, will also act as the inspecting agent or architect for HED for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Developer's account and will be promptly paid by Developer. The inspecting agent or architect shall perform

periodic inspections with respect to the Project, providing certifications with respect thereto to HED, prior to requests for disbursement for costs related to the Project.

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

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

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

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

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

3.14 **Additional Project Features**

(a) **Reserved.**

(b) **LEED Construction.** All construction of the Project, including but not limited to building construction, green space and surface parking, if any, shall be built to a minimum Leadership in Energy and Environmental Design ("LEED"), Civ2 Standard (Commercial Interiors, Version 2) ("**LEED-Civ2**"). The Project was registered with the US Green Building Council ("**USGBC**") for the required certification on August 30, 2013. The Project shall be constructed in compliance with all guidelines and requirements as delineated by the USGBC mandated for the LEED-Civ2 standard. Upon completion of construction, Developer, at

Developer's cost, shall have all features of construction pertinent to LEED certification tested and certified as being compliant with the LEED-CIv2 standard. Developer will submit written evidence from the USGBC demonstrating compliance with the required LEED certification.

ARTICLE FOUR: FINANCING

4.01 **Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$4,696,602 to be applied in the manner stated in the Project Budget. Such costs will be funded from the following sources:

Equity (subject to <u>Section 4.06</u>) and Lender Financing, if any	<u>\$ 4,696,602</u>
ESTIMATED TOTAL	\$ 4,696,602

4.02 **Developer Funds.** Equity and Lender Financing, if any, will be used to pay all Project costs, including but not limited to costs of TIF-Funded Improvements. All Project costs will be front-funded by Developer.

4.03 **City Funds.**

(a) Uses of City Funds.

(i) Any funds expended by the City under this Agreement or otherwise related to the Project or to the TIF-Funded Improvements are defined as "**City Funds**".

(ii) City Funds may be used to reimburse Developer only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit E states, by line item, the TIF-Funded Improvements for the Project contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such costs and their respective eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds.

(i) Subject to the terms, conditions and qualifications in this Agreement, the City, through its Department of Housing and Economic Development, agrees to provide reimbursement to Developer from Available Incremental Taxes for certain TIF-Funded Improvements, in cash in the total amount of the lesser of \$1,120,000 or 23.8% of the total Project Budget of \$4,696,602 in five level installments. The total payment of reimbursement under this Agreement will be reduced by \$0.50 for every \$1.00 in actual Project costs that are below the Project Budget referenced in Section 3.03 and Exhibit D-1.

(ii) The reimbursement program has five installment payments and is subject to Developer satisfying all of the conditions scheduled below:

(A) Certificate Requirements Developer has attained and the City has issued a certificate of completion (“**Certificate**”) for the Project. The City will issue the Certificate only upon Developer’s full compliance with all of the following benchmarks:

1. Completion of Project Completion of the Project as described in this Agreement.

2. Compliance with Building Permit Developer has obtained a certificate of occupancy for the Project, or has provided HED with evidence acceptable to HED in form and substance that Developer has complied with its building permit requirements for the Project.

3. Compliance with City Requirements Developer has obtained a compliance letter from the City’s Monitoring and Compliance Unit determining that Developer and the Project have complied with all City Requirements.

4. Employment Developer has employed not less than 25 FTE located at its Headquarters in the Headquarters Space.

5. Total Project Costs Developer has received written notice from HED reporting that HED has reviewed and accepted Developer’s financial information and other materials supporting total Project costs. Developer will engage a third party to certify total Project costs and such third party will provide HED with an affidavit.

6. TIF - Funded Improvements Developer has received written notice from HED reporting that HED has reviewed and accepted Developer’s financial information and other materials supporting the costs of TIF-Funded Improvements in an amount equal to or greater than the total amount of City Funds.

(iii) The City will pay the following amounts to Developer under the following schedule:

Payment	Term	Amount*
First Annual Payment	1 Year after Certificate	\$224,000
Second Annual Payment	2 Years after Certificate	\$224,000
Third Annual Payment	3 Years after Certificate	\$224,000
Fourth Annual Payment	4 Years after Certificate	\$224,000
Fifth/Final Annual Payment	5 Years after Certificate	\$224,000

*The actual amount of assistance may vary depending on the final certified total Project costs and the cost of TIF Funded Improvements incurred.

(iv) Annual Payment Requirements The pre-conditions for annual payments to Developer are:

- (A) Prior issuance of the Certificate.
- (B) Developer has provided evidence in form and substance satisfactory to HED that Developer has met or exceeded the following FTE job requirements:

Date	HQ Jobs	Retained Wheatland Tube	Retained Atlas Tube	Total Jobs
1 st year	25-60	153	133	346
2 nd year	75	153	133	361
3 rd year	85	153	133	371
4 th year to 10 th year	100	153	133	386

- (C) Developer has received its LEED-Civ2 certification.
- (D) Developer has submitted a City Funds Requisition Form in the form of Exhibit N (the “**Requisition Form**”).
- (E) Developer has submitted its Annual Compliance Report.
- (F) Letter of Credit When Developer submits its Requisition Form for Year 1, Developer will deliver or cause to be delivered an unconditional, irrevocable letter of credit for \$224,000 issued by a bank acceptable to HED, and in the form of Exhibit F (the “**Letter of Credit**”) in favor of the City as security for Developer’s performance obligations under this Agreement.
- (G) Letter of Credit Increases and Reductions
 - (1) Increases with Submission of Requisition Forms. The initial principal amount of the Letter of Credit will equal the amount of the first annual payment (\$224,000). Thereafter, for each year covered by a Requisition Form requesting payment, Developer shall deliver or cause to be delivered a replacement Letter of Credit “grossed-up” to the amount of all City Funds paid to date, plus the amount of City Funds covered by the current year’s Requisition Form.

(2) Letter of Credit Maintenance Over Time Over time, the amount of the Letter of Credit will be maintained as follows:

Year	% of Funds Paid
Year 1	100% of City Funds Paid to Date
Year 2	100% of City Funds Paid to Date
Year 3	100% of City Funds Paid to Date
Year 4	100% of City Funds Paid to Date
Year 5	100% of City Funds Paid to Date
Year 6	100% of City Funds Paid to Date
Year 7	100% of City Funds Paid to Date
Year 8	100% of City Funds Paid to Date
Year 9	100% of City Funds Paid to Date
Year 10	100% of City Funds Paid to Date

(3) Reduction by Events. Developer shall provide evidence acceptable to the City that Developer has received its LEED-Civ2 certification within 1 year from the date of the Certificate. If Developer has not received its LEED-Civ2 certification within 1 year from the date of the Certificate, then the City shall have the right to recover \$224,000 of the total City Funds paid to Developer by drawing down on the Letter of Credit.

4.04 Sale or Transfer of the Project by Developer.

(a) At Any Time. Developer may sell or transfer title to the Project to an Affiliate at any time, so long as Developer retains all executory obligations under this Agreement, and such Affiliate/transferee becomes a co-obligor under this Agreement with a joint and several liability joinder to this Agreement.

(b) From the Closing Date to the Date of the Certificate. Developer may not sell or transfer any part of the Property or Project to any non-Affiliated party, without the City's consent, which will not be unreasonably withheld, provided, however that any such non-Affiliated party must: (i) agree to assume all executory obligations under the Agreement, (ii) complete the City's then current economic disclosure forms to the City's satisfaction, (iii) be otherwise qualified to do business with the City and (iv) demonstrate to the City's satisfaction that such party has financial capability to meet its obligations under this Agreement.

(c) After the Date of the Certificate. After the date of the Certificate, Developer may sell or transfer any part of the Project to non-Affiliated third parties, provided, however, that any such non-Affiliated party must: (i) agree to assume all executory obligations under the Agreement, (ii) complete the City's then current economic disclosure forms to the City's satisfaction, (iii) be otherwise qualified to do business with the City, and (iv) demonstrate to the City's satisfaction that such party has financial capability to meet its obligations under this Agreement.

(d) Sales of Assets or Equity. For purposes of this subsection, the phrase: "sale or transfer of any part of the Project" includes any sales or transfers which are a part of the sale or transfer of all or substantially all of Developer's assets or equity.

4.05 Treatment of Prior Expenditures/Administration Fee.

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

(b) TIF District Administration Fee. Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the 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 under Section 4.03, Developer will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project in excess of the Project Budget.

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

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

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

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including not limited to the deposit with the City of the Letter of Credit as set forth in Section 4.03(b) of this Agreement and the requirements set forth in the Bond Ordinance, if any; the TIF Bond Ordinance, if any; the Bonds, if any; the TIF Bonds, if any; the TIF Ordinances and this Agreement.

ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING

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

5.01 **Project Budget.** Developer will have submitted to HED, and HED will have approved, the Project Budget stated in Exhibit D-1, in accordance with the provisions of Section 3.03.

5.02 **Scope Drawings and Plans and Specifications.** Developer will have submitted to HED, and HED will have approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02 or HED will have agreed to approve them as a post-closing item, promptly upon receipt.

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

5.04 **Financing.**

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

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

5.05 **Lease and Title.** On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Headquarters Space, showing Developer as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit I and will evidence the recording of this Agreement under the provisions of Section 8.15. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking, if available), contiguity, location, access, and survey. On or prior to the Closing Date, Developer will provide to HED documentation related to the Headquarters Space and copies of all easements and encumbrances of record with respect to the property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

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

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

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

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

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

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

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

5.11 **Financial Statements.** Not less than 30 days prior to the Closing Date, Developer will have provided Financial Statements for its 2010 and 2011 fiscal years, if available, and its most recently publicly available unaudited interim Financial Statements, in each case together with any opinions and management letters prepared by Developer's auditors for HED's inspection and review at Headquarters.

5.12 **Additional Documentation.** Developer has provided documentation to HED, satisfactory in form and substance to HED, 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, Developer has met with Workforce Solutions division of HED to review employment opportunities with Developer after construction or rehabilitation work on the Project is completed. On or before the Closing Date, Developer has provided to HED, and HED has approved, the Employment Plan for the Project (the "**Employment Plan**"). The Employment Plan includes, without limitation, the Developer's estimated of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as HED has requested relating to the Project.

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

5.14 Entity Documents; Economic Disclosure Statement.

(a) Entity Documents. Developer will provide a copy of its current Certificate of Incorporation, with all amendments, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and from the Secretary of State of Illinois; current by-laws with all amendments; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other organizational documentation as the City may request.

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

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

5.16 Lease. Complete copies of the Lease, and all other written agreements setting forth the parties' understandings related to the Developer's relocation to or occupancy of the Headquarters Space and any financial agreements between the parties in any way relating to the Property, the Headquarters Space or the Lease, certified by the Developer, shall have been delivered to the City

ARTICLE SIX: AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors.

(a) Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, (or any phase thereof) after the Closing Date, Developer must solicit, or must cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago. For the TIF-Funded Improvements, Developer must cause the General Contractor to select the subcontractor submitting the lowest responsible bid who can complete the Project (or phase thereof) in a timely and good and workmanlike manner; provided, however, that Developer may consider a bidder's ability to meet the unique challenges of the Project in evaluating the "lowest responsible bid" rather than the lowest bid. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. Because Developer may have entered into the Construction Contract and other related contracts prior to the date of this Agreement, HED may elect to ratify Developer's actions under this sub-section.

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

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

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

6.04 Employment Opportunity. Developer will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten.

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

ARTICLE SEVEN: COMPLETION OF CONSTRUCTION

7.01 **Certificate of Completion of Construction.** Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request, HED will issue to Developer a certificate of completion of construction in recordable form (the "**Certificate**") certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement. HED will respond to Developer's written request for a Certificate within 30 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, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate.

7.02 Effect of Issuance of Certificate; Continuing Obligations.

(a) 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 must not be construed as a waiver by the City of any of its rights and remedies under such executory terms.

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.16 (Real Estate Provisions), and Section 8.18 (Occupancy, Operations and Land Use Covenants) as covenants that run with the land and the leasehold interest in the Headquarters Space are the only covenants in this Agreement intended to be binding upon any transferee of the Headquarters Space (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate (except with respect to Section 8.02). The other executory terms of this Agreement that remain after the issuance of a Certificate will be binding only upon Developer or a permitted assignee of Developer who, as provided in Section 18.15 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

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

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed under this Agreement, and draw down the Letter of Credit; provided, however that if the City is unable to draw down the Letter of Credit for any reason, in addition to other remedies provided by law, the City may seek reimbursement of the City Funds from Developer up to the applicable Letter of Credit amount.

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available under Section 4.03, Developer will 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

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

ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.

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

(a) Developer is a Delaware corporation, duly incorporated, validly existing, qualified to do business in Delaware and 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 Certificate 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 Developer is now a party or by which Developer or any of its assets is now or may become bound;

(d) unless otherwise permitted or not prohibited under the terms of this Agreement, Developer will maintain good, indefeasible and merchantable leasehold title to the Headquarters Space, (and all improvements and thereon) free and clear of all liens except for the Permitted

Liens scheduled in the Title Report and incorporated in Exhibit I, or Lender Financing, if any, as disclosed in the Project Budget;

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

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

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

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

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

(j) during the Term of this Agreement, if it would adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Headquarters Space or the Project (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 with respect to the Headquarters Space or the Project outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity to the extent that such action would have an adverse effect on Developer's ability to perform its obligations under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(k) Developer has not incurred and, prior to the issuance of a Certificate, will not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the Headquarters Space and Project other than the Permitted Liens; or incur any indebtedness secured or to be secured by the Headquarters Space and Project or any fixtures now or hereafter attached thereto, except Lender 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 under City ordinance, for services to any City agency ("**City Contract**") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended; and

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

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

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

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

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

8.06 Employment Opportunity.

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

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

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

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

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

8.10 Financial Statements and Review. After the Closing Date, on an annual basis during the Term of the Agreement, Developer will permit HED to inspect and review Developer's Financial Statements at the Headquarters at a mutually convenient time. At the time of such inspection and review, Developer will provide a solvency letter addressed to HED and signed by Developer's Chief Financial Officer.

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

8.12 **Non-Governmental Charges.**

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

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

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

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

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

8.14 **Compliance with Laws.**

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

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

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

8.16 **Real Estate Provisions.**

(a) **Governmental Charges.**

(i) **Payment of Governmental Charges.** Subject to subsection (ii) below, Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Headquarters Space 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 Headquarters Space or the Project. "**Governmental Charge**" means all Federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to Developer, the Headquarters Space or the Project, including but not limited to real estate taxes.

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

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

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

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

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

(c) Real Estate Taxes.

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

(ii) No Reduction in Real Estate Taxes.

(A) Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, during the Term of

this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Wheatland Tube facility, the Atlas Tube facility or the Headquarters Space or the Project.

(B) After diligent inquiry, Developer knows of no pending application, appeal or request for reduction of the assessed value of all or any portion of the Wheatland Tube facility, the Atlas Tube facility or the Headquarters Space, filed by Developer or the Developer's predecessor in interest for any tax year prior to or including the tax year in which this Agreement is executed.

(iii) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, will object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under Assessment Complaint (as defined below) or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "**Under Assessment Complaint**" as used in this Agreement means any complaint seeking to increase the assessed value of the Wheatland Tube property, the Atlas Tube property or the Headquarters Space (and related improvements) or the Project.

(iv) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.16(c) are covenants running with the land. This Agreement will 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 will be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants will be released when the Redevelopment Area is no longer in effect, or upon expiration of the Term of Agreement. Developer agrees that any sale, transfer, lease, conveyance, or transfer of title to all or any portion of the Wheatland Tube facility, the Atlas Tube facility or the Headquarters Space or the Project from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.16 (c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.16(c).

8.17 Job Recruitment, Training and Hiring Plan. Developer agrees to work with the Workforce Solutions Unit of HED to create and implement a mutually acceptable plan for the recruitment, training and hiring of City of Chicago residents. Such plan will have as one of its goals, an objective to maximize the number of local residents from the LaSalle Central and adjacent communities participating in the plan. Developer will develop job criteria and qualifications for plan use and will consult with the Workforce Solutions Unit as necessary in this process. The Workforce Solutions Unit will refer qualified candidates to Developer consistent with Developer's operations timing objectives contained in the plan, and Developer will interview such qualified candidates. Developer will not be required to hire any specified number of candidates.

8.18 Occupancy, Operations and Land Use Covenants.

(a) Occupancy and Operations Covenant. Developer covenants that it will occupy the Headquarters Space and Project and operate its corporate headquarters on the Property for the Term of the Agreement, subject to the provisions of Section 18.17 (Force Majeure); provided, however, that temporary closures for reconstructions, expansion, alterations or remodeling are permitted exceptions to this covenant.

(b) Land Use Compliance. Developer covenants that its use of the Property and the Project will be in compliance with the Redevelopment Plan, and applicable zoning laws.

(c) Run With The Land. The covenants stated in this Section 8.18 run with the land and the leasehold interest in the Headquarters Space, and are intended to be binding on any transferee of the Headquarters Space or the Project.

8.19 Job Requirements

(a) At Locations. Developer covenants to meet or exceed the following FTE job requirements at the following locations during the Term of the Agreement:

Date	HQ Jobs	Retained Wheatland Tube	Retained Atlas Tube	Total Jobs
1 st year	25-60	153	133	346
2 nd year	75	153	133	361
3 rd year	85	153	133	371
4 th year to 10 th year	100	153	133	386

(b) Non-Compliance

(i) In any year of the 10 year term, if Developer's job count falls below the requirement stated in subsection (a) above, then:

(x) the City may withhold payments to Developer for any year. Upon compliance, regular payments will resume and withheld payments will be promptly paid to Developer;

(y) the year that Developer was out of compliance will not count toward the 10 year stated term, but will be added to the stated term and thereby automatically extending the Term of the Agreement.

(ii) During the 10 year term, Developer is entitled to two (2) non-consecutive years of non-compliance. At the third year of non-compliance, the City will be under no further obligation to pay City Funds to Developer.

(c) Default by Landlord under the Lease. A default by the Sub-Landlord or Master Landlord under the Lease shall not: (a) relieve Developer from its obligations under this Agreement or (b) constitute any defense, excuse of performance, release, discharge or similar form of equitable or other relief that would prevent or limit the City's enforcement of its remedies under this Agreement.

8.20 Annual Compliance Report. Beginning with the issuance of the COC and continuing throughout the Term of the Agreement, the Developer shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Reserved.

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

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

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

8.25 No Business Relationship with City Elected Officials. Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision. Under Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the

transactions contemplated thereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated thereby.

8.26 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 Chapter 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

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

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

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

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

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

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

For purposes of this provision:

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

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

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

8.28 Shakman Accord.

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

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

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

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

8.29 **Material Amendment To Lease/Lease Transfer.** During the Term of the Agreement, Developer shall not: (a) execute or consent to a Material Amendment or (b) sell, sublease, release, assign or otherwise transfer its interest in any Lease without the prior written consent of HED, which consent shall be in HED's sole discretion.

8.30 **Wheatland Tube Facility - Use of MBE Contractors.** Developer will to the best of its ability, utilize City Certified MBE Contractors or subcontractors to perform construction work at its Wheatland Tube facility up to a value of approximately \$110,000 over the period of 5 years from the Closing Date.

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

ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY

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

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

ARTICLE TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

- (a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time-to-time (the "**Human Rights Ordinance**"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.
- (b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment 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 will comply with all applicable Federal, State and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the State Human Rights Act, 775 ILCS 5/1-101 et. seq. (2006 State Bar Edition), as amended, and any subsequent amendments and regulations promulgated thereto.
- (d) Each Employer, in order to demonstrate compliance with the terms of this Section, will cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of Federal, State and municipal agencies.

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

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

10.02 City Resident Construction Worker Employment Requirement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) For purposes of this Section 10.03 only:

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

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of: (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the

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

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

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

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

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors are required to attend this pre-construction meeting. During said meeting, Developer will demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which will be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure

to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, will, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

ARTICLE ELEVEN: ENVIRONMENTAL MATTERS

11.01 **Environmental Matters.** Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws.

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

ARTICLE TWELVE: INSURANCE

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

ARTICLE THIRTEEN: INDEMNIFICATION

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

party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees by a third party in any manner relating to or arising out of:

- (i) Any cost overruns as described in Section 4.06; or
- (ii) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (iii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or
- (iv) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or its agents, employees, contractors or persons acting under the control or at the request of Developer or any affiliate of Developer; or
- (v) Developer's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto; or
- (vi) any act or omission by Developer or any Affiliate of Developer;

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

ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

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

Developer in accordance with Section 17.01. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday.

14.02 **Inspection Rights.** Upon three (3) Business Days' notice, any authorized representative of the City shall have access to all portions of the Headquarters Space during normal business hours for the Term of the Agreement. The City shall provide three (3) Business Days' prior written notice to the Developer in accordance with Section 17.01. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours 9:00 a.m. and 5:00 p.m., Monday through Friday.

ARTICLE FIFTEEN: DEFAULT AND REMEDIES

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

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

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against Developer or Developer's ultimate parent entity, if any, or for the liquidation or reorganization of Developer or Developer's ultimate parent entity, if any, or alleging that Developer or Developer's ultimate parent entity, if any, is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's or Developer's ultimate parent entity's, if any, debts, whether under the United States Bankruptcy Code or under any other state or Federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer or Developer's ultimate parent entity, if any; provided, however, that if such commencement of proceedings is involuntary, such action will

not constitute an Event of Default unless such proceedings are not dismissed within 60 days after the commencement of such proceedings;

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

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

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

(i) the dissolution of Developer or Developer's ultimate parent entity, if any; or

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

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

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

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

15.02 **Remedies.** Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. To the extent permitted by law, the City may also lien the Property.

15.03 Curative Period.

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

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

ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT

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

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

(b) If any mortgagee or any other party shall succeed to Developer's interest in the Headquarters Space or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, then the City hereby agrees to attorn to and recognize such party as

the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of "Developer" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of Developer which occurred prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

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

ARTICLE SEVENTEEN: NOTICES

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

If to the City:

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

With Copies To:

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

If to Developer:

JMC Steel Group, Inc.
Attention: General Counsel
227 West Monroe Street
26th Floor
Chicago, IL 60606
Telephone: 312/275-1605
Fax: 312/275-1596

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

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

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

ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments.** This Agreement and the Schedules and Exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties; provided, however, that the City in its sole discretion, may amend, modify or supplement the Redevelopment Plan, which is Exhibit C hereto. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than 90 days.

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

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

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

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

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

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the City or the Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

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

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

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

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

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

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

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

18.15 **Assignment.** Prior to the issuance by the City to Developer of a Certificate, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however, that Developer may assign, on a collateral basis, the right to receive City Funds to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any successor in interest to Developer under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.16 (Real Estate Provisions) and Section 8.29 (Survival of Covenants) hereof, for the Term of the

Agreement. Developer hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.17 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them will be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, war, acts of terrorism, imposition of martial law, plague or other illness, bank holidays or stock or commodity exchange closures or wire transfer interruptions, capital controls, civil disorders, rebellions or revolutions, strike, shortage of material, power interruptions or blackouts, fuel shortages or rationing, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder, except to the extent that, the non-performing party is at fault in failing to prevent or causing such default or delay; and provided that such default or delay can not reasonably be circumvented by the non-performing party through the use of alternative sources, work around plans or other means. The individual or entity relying on this section with respect to any such delay will, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

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

18.20 **Approval.** Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, HED or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the

Mayor of the City shall act for the City or HED in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

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

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

18.23 **Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the Closing Date.

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

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

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

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

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

JMC STEEL GROUP, INC., a Delaware corporation

By: _____

Printed

Name: _____

Mickey McNamara

Title: _____

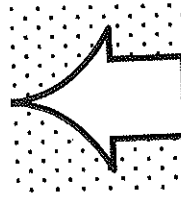
EVP & GC

CITY OF CHICAGO

By: _____

Commissioner

Department of Housing and Economic Development



**SIGN
HERE**

STATE OF Illinois)
) SS
COUNTY OF COOK)

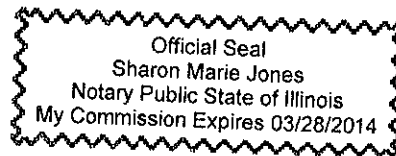
I, Sharon Marie Jones, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Mickey
McNamara, personally known to me to be the SUPV
GC of JMC Steel Group, Inc., a Delaware corporation, (the "Developer"), and personally known to me to be the same person whose name 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 Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 12th day of November, 2013.

Sharon Marie Jones
Notary Public

My Commission Expires 03/28/2014

(SEAL)



**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC
HEADQUARTERS PROJECT**

Redevelopment Agreement
dated as of November 15, 2013

SCHEDULE A

DEFINITIONS

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

“**2005 RDA**” has the meaning defined in Article Two-A.

“**Act**” has the meaning defined in Recital B.

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

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

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

“**Annual Compliance Report**” shall mean a signed report from Developer to the City: (a) itemizing each of Developer’s obligations under the Agreement during the preceding calendar year; (b) certifying Developer’s compliance or noncompliance with such obligations; (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance; and (d) certifying that Developer is not in default 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) compliance with the Occupancy, Operations and Land Use Covenants (**Section 8.18**); (2) compliance with the Jobs Covenant (**Section 8.19**); (3) delivery of updated insurance certificates, if applicable (**Section 8.11**); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.12**); (5) delivery of a substitute Letter of Credit,

if applicable (**Section 4.03(b) (iv) (G)**); (6) delivery of evidence of LEED Certification has been obtained (**Section 3.14(b)**) and (7) compliance with all other executory provisions of the RDA.

"Atlas Tube" has the meaning defined in Recital D.

"Available Incremental Taxes" shall mean for each payment, an amount equal to the Incremental Taxes on deposit in the LaSalle Central Redevelopment Project Area TIF-Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which are available for the payment of TIF-Funded Improvements, after deducting: (i) the TIF District Administration Fee; (ii) all Incremental Taxes from a New Project pledged or allocated to assist the New Project, and (iii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement including, without limitation, Incremental Taxes allocated or pledged to NAVTEQ Corporation, The Ziegler Companies, Inc., MillerCoors LLC, UAL Corporation, United Air Lines, Inc., Lyric Opera of Chicago, Chicago Mercantile Exchange, Inc., Randolph Tower City Apartments, Inc., Accretive Health, Inc. and/or any of their respective Affiliates, and (iv) debt service payments with respect to the Bonds, if any or the TIF Bonds, if any.

"Bonds" has the meaning defined in Section 8.05.

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

"Building" has the meaning defined in Recital D.

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

"Certificate" (and also from time to time referred to as the "**COC**") has the meaning defined in Section 7.01 and cross-referenced in Section 4.03(b)(ii)(A).

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

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

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

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

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

"City Group Member" has the meaning defined in Section 8.22.

"City Hiring Plan" has the meaning defined in Section 8.28.

"City Requirements" has the meaning defined in Section 3.07.

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

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

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

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

"Contribution" has the meaning defined in Section 8.27.

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

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

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

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

"Employment Plan" has the meaning defined in Section 5.12.

"Environmental Laws" means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago (as defined below), and including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

"Equity" means funds of Developer (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.06 (Cost Overruns).

"Event of Default" has the meaning defined in Section 15.01.

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

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

"Full Time Equivalent Employee" or **"FTE"** shall mean an employee of 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 Headquarters, Atlas Tube or Wheatland Tube, as applicable, (but no double counting), excluding: (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by Developer, an Affiliate, or by third parties in positions ancillary to Developer's operations including, without limitation, food service workers, security guards, cleaning personnel, or similar positions at the Headquarters, Atlas Tube or Wheatland Tube, as applicable.

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

"Governmental Charge" has the meaning defined in Section 8.16(a)(i).

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

"Headquarters" has the meaning defined in Recital D.

"Headquarters Space" has the meaning defined in Recital D.

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

"Human Rights Ordinance" has the meaning defined in Section 10.01(a).

"Identified Parties" has the meaning defined in Section 8.27.

"IGO Hiring Oversight" has the meaning defined in Section 8.28.

"Incremental Taxes" means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the LaSalle Central Redevelopment Project Area Special Tax Allocation Fund.

"Incremental Taxes from a New Project" means: (a) individually, Incremental Taxes generated by the equalized assessed value ("**EAV**") of the parcel(s) comprising a New Project over and above the initial EAV of such affected parcel(s) as certified by the Cook County Clerk in the certified initial EAV of all tax parcels in the Redevelopment Area and (b) collectively, the sum of Incremental Taxes from a New Project for all New Projects, if there are multiple New Projects.

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

"Labor Department" has the meaning defined in Section 8.08.

"LaSalle Central Redevelopment Project Area Special Tax Allocation Fund" means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined above) will be deposited.

"Lease" has the meaning defined in Recital D. The Lease will be for not less than 29,080 square feet of office space on the 26th Floor of the Building, and will be by and among Developer, Citicorp North America, Incorporated, as Sub-Landlord and Tishman Speyer as Master Landlord.

"LEED" has the meaning defined in Section 3.14(b).

"LEED-Civ2" has the meaning defined in Section 3.14(b).

"Lender Financing" means funds borrowed by Developer from lenders, if any, and available to pay for costs of the Project, in the amount stated in Section 4.01.

"Letter of Credit" has the meaning defined in Section 4.03(b)(iv)(F).

"Material Amendment" shall mean an amendment of any Lease the net effect of which is to directly or indirectly do any of the following with respect to the Lease: (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 such Lease, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under such Lease of the amendment; (b) shorten the initial term of such Lease or grant additional early termination rights

that, if exercised, would shorten the initial term of such Lease; or (c) [additional provisions may follow based on review of signed Lease].

"Master Landlord" has the meaning defined in Recital D.

"Mayor" has the meaning defined in Section 8.27.

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

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

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

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

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

"New Mortgage" has the meaning defined in Section 16.01.

"New Project" means a development project: (a) for which the related redevelopment agreement is recorded on or after the date of this Agreement and (b) which will receive assistance in the form of Incremental Taxes; provided, however, that "New Project" shall not include any development project that is or will be exempt from the payment of ad valorem property taxes.

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

"Other Agreement" has the meaning defined in Section 8.27.

"Owners" has the meaning defined in Section 8.27.

"Permitted Liens" means those liens and encumbrances against the Property and/or the Project stated in Exhibit H.

"Permitted Mortgage" has the meaning defined in Section 16.01.

"Plan Adoption Ordinance" has the meaning defined in Recital C.

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

"Political fundraising committee" has the meaning defined in Section 8.27.

"Prior Expenditure(s)" has the meaning defined in Section 4.05.

"Procurement Program" has the meaning defined in Section 10.03(a).

"Project" has the meaning defined in Recital D.

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

"Property" has the meaning defined in Recital D.

"Redevelopment Area" means the redevelopment project area as legally described in Exhibit A.

"Redevelopment Plan" has the meaning defined in Recital E.

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

"Requisition Form" has the meaning defined in Section 4.03(b)(iv)(D).

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

"Shakman Accord" has the meaning defined in Section 8.28.

"State" means the State of Illinois as defined in Recital A.

"Sub-Landlord" has the meaning defined in Recital D.

"Sub-owners" has the meaning defined in Section 8.27.

"Survey" means a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property meeting the 2013 minimum standard detail requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2013, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing, if any).

"Term of the Agreement" means the period of time commencing on the date of the Certificate and ending 10 years thereafter, unless extended as provided in Section 8.19(b).

"TIF Adoption Ordinance" has the meaning stated in Recital C.

"TIF Bonds" has the meaning defined for such term in Recital F.

"TIF Bond Ordinance" has the meaning stated in Recital F.

"TIF Bond Proceeds" has the meaning stated in Recital F.

"TIF District Administration Fee" has the meaning described in Section 4.05(b).

"TIF Ordinances" has the meaning stated in Recital C.

"TIF-Funded Improvements" means 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, and (iv) are stated in Exhibit E.

"Title Company" means Chicago Title Insurance Company or such other title insurance company selected by the Developer.

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

"Under Assessment Complaint" has the meaning set forth in Section 8.16(c)(iv).

"USGBC" has the meaning defined in Section 3.14(b).

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

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

"Wheatland Tube" has the meaning defined in Recital D.

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

**LaSalle Central
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC
HEADQUARTERS PROJECT**

Redevelopment Agreement
dated as of November 15, 2013

SCHEDULE B

ARTICLE TWELVE: INSURANCE REQUIREMENTS

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

(a) Prior to Execution and Delivery of this Agreement

(i) Workers' Compensation and Employers Liability Insurance

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

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

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

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

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service

under this Agreement in statutorily prescribed limits and Employers Liability coverage with limits of not less than \$500,000 each accident or illness.

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

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

(v) All Risk Builders Risk Insurance

When the contractor undertakes any construction, including improvements, betterments, and/or repairs, Developer must cause each contractor to provide, or cause to be provided All Risk Blanket Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the Project. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable, flood including surface water backup. The City will be named as an additional insured and loss payee.

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

(ix) Blanket Crime

Developer must provide Crime Insurance or equivalent covering all persons handling funds under this Agreement, against loss by dishonesty, robbery, destruction or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover losses in the amount of the maximum monies collected or received and in the possession of Developer at any given time.

(c) Other Insurance Required.

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

(d) Other Requirements

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

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

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT A

REDEVELOPMENT AREA LEGAL DESCRIPTION

A legal description of the Redevelopment Area is attached to this exhibit cover sheet.

SECTION 5. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

Exhibit 1 referred to in this ordinance reads as follows:

Exhibit 1.

Corrected And Reformed Legal Description.

That part of the south half of Section 9, together with that part of the north half of Section 16, Township 39 North, Range 14 East of the Third Principal Meridian all taken as a tract of land bounded and described as follows:

beginning at the point of intersection of the east line of Canal Street with the south line of Lake Street in the east half of the southwest quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, and running; thence east along said south line of Lake Street to the northerly extension of the east line of the 18 foot wide alley east of Canal Street; thence south along said northerly extension of the east line of the 18 foot wide alley east of Canal Street and the east line thereof to the north line of Randolph Street; thence west along said north line of Randolph Street to the east line of Canal Street; thence south along said east line of Canal Street to the easterly extension of the north line of the south 275.06 feet of Block 50 in the Original Town of Chicago in Section 9; thence west along said easterly extension of the north line of the south 275.06 feet of Block 50 in the Original Town of Chicago to the west line of Canal Street; thence south along said west line of Canal Street to the south line of Madison Street; thence east along said south line of Madison Street to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Calhoun Place; thence east along said south line of Calhoun Place to the west line of Franklin Street; thence south along said west line of Franklin Street to the north line of Monroe Street; thence west along said north line of Monroe Street to the northerly extension of the west line of the easterly 18 feet of Lot 2 in Block 82 of School Section Addition to Chicago in Section 16; thence south along said northerly extension of the west line of the easterly 18 feet of Lot 2 in Block 82 and the west line hereof to the south line of said Lot 2; thence west along said south line of Lot 2 in Block 82 and the westerly extension thereof to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the north line of Monroe Street; thence west along said north line of Monroe Street to the west line of the south branch of the Chicago River; thence south along said west line of the south branch of the Chicago River to the north line of Lot 4 in Railroad Companies' Resubdivision of Blocks 62 to 76 inclusive, 78,

parts of 61 and 71, and certain vacated streets and alleys in School Section Addition to Chicago in Section 16; thence west along said north line of Lot 4 to the westerly line thereof; thence southeasterly along said westerly line of Lot 4 to the southwesterly corner thereof; thence southeasterly along a straight line to the northwesterly corner of Lot 5 in said Railroad Companies' Resubdivision in Section 16; thence southeasterly along the westerly line of said Lot 5 to an angle point on said westerly line; thence southeasterly along said westerly line of Lot 5 to a point on said westerly line, said point lying 121.21 feet northwesterly of the southwesterly corner of Lot 5; thence east along a straight line parallel with and 121.21 feet north of the south line of said Lot 5 to the westerly line of the south branch of the Chicago River; thence southeasterly along said westerly line of the south branch of the Chicago River to the north line of Jackson Boulevard; thence south along a straight line to the south line of Jackson Boulevard; thence west along said south line of Jackson Boulevard to the east line of Canal Street; thence south along said east line of Canal Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Jackson Boulevard; thence east along said south line of Jackson Boulevard to the west line of Franklin Street; thence south along said west line of Franklin Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the northerly extension of the east line of the 12 foot wide alley east of Wells Street; thence south along said northerly extension of the east line of the 12 foot wide alley east of Wells Street to the south line of Van Buren Street; thence east along said south line of Van Buren Street to the west line of LaSalle Street; thence north along the northerly extension of the west line of LaSalle Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the east line of Clark Street; thence north along said east line of Clark Street to the south line of Adams Street; thence east along said south line of Adams Street to the west line of Dearborn Street; thence north along said west line of Dearborn Street to the easterly extension of the north line of the 18 foot wide alley south of Monroe Street; thence east along said easterly extension of the north line of the 18 foot wide alley south of Monroe Street and the north line thereof to a point on a line 130 feet west of and parallel with the west line of South State Street the east line of the west half of Lot 3 in Block 141 in School Section Addition to Chicago in Section 16; thence north along said ~~parallel~~ east line of the west half of Lot 3 to the south line of Monroe Street; thence west along said south line of Monroe Street to the southerly extension of the west line of the most westerly 15 foot wide alley east of Dearborn Street; thence north along said southerly extension of the west line of the most westerly 15 foot wide alley east of Dearborn Street and the west line thereof to the south line of the 15 foot wide alley north of Monroe Street; thence west along said south line of the 15 foot wide alley north of Monroe Street and the westerly extension thereof to the west line of Dearborn Street; thence south along said west line of Dearborn Street to the north line of Monroe Street; thence west along said north line of Monroe Street to the east line of Lot 21 in Assessor's Division of Block 118 of School

Section Addition in Section 16; thence north along the said east line of said Lot 21 and the northerly extension thereof to the south line of Lot 33 in said Assessor's Division of Block 118 of School Section Addition in Section 16; thence west along said south line of Lot 33 to the west line thereof; thence north along said west line of Lot 33 to the south line of Lot 14 in Assessor's Division of Block 118 of School Section Addition in Section 16; thence west along said south line of Lot 14 to the east line of the 10 foot wide alley west of Clark Street; thence north along said east line of the 10 foot wide alley west of Clark Street and the northerly extension thereof to the north line of Madison Street; thence west along said north line of Madison Street to the east line of the 9 foot wide alley west of Clark Street; thence north along said east line of the 9 foot wide alley west of Clark Street to the south line of the 18 foot wide alley south of Washington Street; thence north along a straight line to the southeast corner of the parcel of land bearing Permanent Index Number 17-9-459-001; thence north along the east line of the parcel of land bearing Permanent Index Number 17-9-459-001 to the south line of Washington Street; thence east along said south line of Washington Street to the east line of Clark Street; thence north along said east line of Clark Street to the south line of Randolph Street; thence west along said south line of Randolph Street to the west line of Clark Street; thence north along said west line of Clark Street to the north line of Randolph Street; thence west along said north line of Randolph Street to the east line of LaSalle Street; thence south along said east line of LaSalle Street to the easterly extension of the south line of Court Place; thence west along said easterly extension of the south line of Court Place and the south line thereof to the west line of Wells Street; thence south along said west line of Wells Street to the north line of Washington Street; thence west along said north line of Washington Street to the east line of Franklin Street; thence north along said east line of Franklin Street to the centerline of vacated court place; thence east along said centerline of vacated Court Place to the southerly extension of the east line of Lot 2 in Block 41 in the Original Town of Chicago in the southeast quarter of Section 9; thence north along said southerly extension of the east line of Lot 2 in Block 41 and the east line thereof to the south line of Randolph Street; thence west along said south line of Randolph Street to the southerly extension of the west line of the easterly 20 feet of Lot 7 in Block 31 in the Original Town of Chicago in Section 9; thence north along said southerly extension of the west line of the easterly 20 feet of Lot 7 and the west line thereof to the south line of Couch Place; thence north along the northerly extension of the west line of the easterly 20 feet of Lot 7 to the north line of Couch Place; thence west along said north line of Couch Place to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Lake Street; thence northeasterly along a straight line to the intersection of the north line of Lake Street with the easterly line of Wacker Drive; thence west along said north line of lake street to the westerly line of the north branch of the Chicago River; thence northwesterly along said westerly line of the north branch of the Chicago River to an angle point on said westerly line, said point being also the northeast corner of Lot 1 in Block 22 in the Original Town of Chicago in Section 9; thence west along the

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north line of said Lot 1 in Block 22 to a point, said point being also a point on the westerly line of the north branch of the Chicago River; thence northwesterly along said westerly line of the north branch of the Chicago River to the north line of that tract of land vacated in Document Number 5507199, recorded October 6, 1914; thence west along said north line of that tract of land vacated in Document Number 5507199, a distance of 21.26 feet to a point on said north line; thence northwesterly along the easterly line of the parcel of land bearing Permanent Index Number 17-9-306-014 to a point of curvature on said easterly line; thence northwesterly along the arc of curve, said curve being concave to the northeast and having a radius of 600 feet, to the east line of Canal Street; thence south along said east line of Canal Street to the south line of Lake Street, being also the point of beginning the heretofore described tract of land, all in Cook County, Illinois.

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT B-1

LEGAL DESCRIPTION OF THE BUILDING/PROPERTY

A legal description of the Building / Property is attached to this exhibit cover sheet.

EXHIBIT A

Legal Description of the Land

The "Land" consists of the following:

1. The parcel of land commonly known as 227 West Monroe Street, Chicago, Illinois, legally described as follows -

PARCEL 1:

LOT 1 (EXCEPT THE WEST 40 FEET THEREOF TAKEN OR USED FOR FRANKLIN STREET) AND ALL OF LOTS 2 AND 3 IN BLOCK 93 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 AFORESAID AS CREATED BY INSTRUMENT DATED JUNE 20, 1984 MADE BY CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 7, 1973 AND KNOWN AS TRUST NUMBER 63493, RECORDED ON JUNE 21, 1984 AS DOCUMENT 27140707 AND RE-RECORDED JUNE 14, 1985 AS DOCUMENT 85060359 FOR INGRESS AND EGRESS OVER, ACROSS AND UPON THE FOLLOWING DESCRIBED PROPERTY:

THE SOUTH 22 FEET 10 INCHES OF LOT 9 IN BOLLES SUBDIVISION OF LOT 4 IN BLOCK 93 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

AND

THE SOUTH 22 FEET 10 INCHES OF THAT PART OF ORIGINAL LOT 4 LYING WEST OF THE WEST LINE OF THE SUBDIVISION OF ORIGINAL LOT 4 AND EAST OF THE EAST LINE OF ORIGINAL LOT 3 (SAID EAST LINE OF LOT 3 BEING ALSO THE EAST LINE OF THE 10 FOOT PRIVATE ALLEY) IN BLOCK 93 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

and also

2. The parcel of land commonly known as 222 West Adams Street, Chicago, Illinois, legally described as follows -

PARCEL 3:

THAT PART OF FIELD AND PERKIN'S SUBDIVISION OF LOTS 5, 6, AND 7 AND THAT PART OF LOT 8 LYING EAST OF THE EAST LINE OF FRANKLIN STREET IN BLOCK 93 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHWEST CORNER OF LOT 1 OF FIELD AND PERKIN'S SUBDIVISION AFORESAID; THENCE NORTH ALONG THE WEST LINE OF LOT 1 AFORESAID A DISTANCE OF 199.04 FEET TO THE NORTHWEST CORNER OF LOT 1 AFORESAID; THENCE EAST ALONG THE NORTH LINE OF FIELD AND PERKIN'S SUBDIVISION AFORESAID AND THAT PART OF THE VACATED EAST AND WEST 20 FOOT PUBLIC ALLEY AS DESCRIBED IN DOCUMENT NUMBER 86067142 A DISTANCE OF 196.76 FEET TO THE POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EAST LINE OF LOT 2 IN FIELD AND PERKIN'S SUBDIVISION AFORESAID; THENCE SOUTH ALONG THE EAST LINE OF LOT 2 AND ITS NORTHERLY EXTENSION AFORESAID A DISTANCE OF 199.39 FEET TO THE SOUTHEAST CORNER OF LOT 2 AFORESAID; THENCE WEST ALONG THE SOUTH LINE OF FIELD AND PERKIN'S SUBDIVISION AFORESAID, BEING ALSO THE NORTH LINE OF WEST ADAMS STREET, A DISTANCE OF 196.805 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT B-2

LEGAL DESCRIPTION OF THE WHEATLAND TUBE FACILITY

A legal description of the Wheatland Tube facility is attached to this exhibit cover sheet.

EXHIBIT A

DESCRIPTION OF THE OWNED LAND

[See Attached Page(s) For Legal Description]

COMMON STREET ADDRESS:

4435 South Western Avenue, Chicago, IL

TAX PROPERTY INDEX NUMBERS (PINs):

20-06-300-013-0000
20-06-300-016-0000
20-06-302-017-0000
20-06-302-019-0000
20-06-302-021-0000
20-06-501-005-0000
20-06-302-013-0000
20-06-302-026-0000
20-06-302-018-0000
20-06-302-020-0000
20-06-300-030-0000
20-06-300-020-0000
20-06-300-031-0000
20-06-300-009-0000
20-06-302-014-0000
20-06-300-008-0000
20-06-300-015-0000

LEGAL DESCRIPTION

PARCEL 1:

That part of the SW $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, Cook County, Illinois, being particularly described as:

Beginning at the Southeast corner of Lot 4 in the Subdivision of the South 5 Acres of said SW $\frac{1}{4}$ of said Section 6, thence North along the East line of aforesaid Lot 4, on a course of N.00°00'00"E, 131.42 ft, to the Northeast corner of Lot 4; thence S.89°29'23"E, 7.84 ft. to a point being 150 West of the East line of the SW $\frac{1}{4}$ of said Section 6; thence N.00°18'54"E., along a line 150 West of and parallel to the East line of the SW $\frac{1}{4}$ of said Section 6, 887.59 feet to a point of tangency; thence Northwesterly along a circular curve concave to the West having a radius of 258.50 ft., a central angle of 15°14'50", and an arc length of 68.79 ft. to a point of non-tangency; thence N00°03'30"E., 661.83 ft. to a set iron pipe; thence S.89°38'12"E., 15.00 feet to a set iron pipe on a line 150 feet West of the East line of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of said Section 6; thence N.00°12'46"E, along the West line of the East 150 feet of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6 to a point 180 feet South of the North line of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, thence N.13°15'26"W, 185.51 feet to the North line of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, thence East 92.31 feet to the Westerly right of way line of spin rail; thence Southerly along a circular curve, being the Westerly line of an existing spur rail, concaved Southwesterly having a radius 2742 ft. a central angle of 11°14'25", and an arc length of 537.92 ft. to a point of common tangency; thence continuing Southerly along a circular curve concave Southwest having a radius 4499.05 ft., a central angle of 02°32'36" and an arc length of 199.71 ft. to a point of tangency being 30.8 ft. West of and parallel to the West line of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence continuing South along a line 30.8 ft. west of and parallel to the foresaid described line to a point 640 North of the North right of way line (33 ft.) of 47th Street; thence South to a point on the North right of way line (33 ft.) of 47th Street, 30.73 ft. west of the west line of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence S89°57'12"E, along the North right of way line of 47th Street, 30.73 feet to the West line of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence s00°17'55"E, along the West line of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Section 6, 33 feet to the South line of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence N89°54'12"W, along the South line of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Section 6, 158 feet, thence N00°06'00"E, 33 ft. to the point of beginning.

EXCEPTING THEREFROM that part of the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, Cook County, Illinois, being particularly described as: conveyed to the City of Chicago by deed recorded May 21, 1992, as Document number 92255238 and described as follows: (CR-505A-2) that part of the right of way of the Consolidated Rail Corporation in the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows: Commencing at the intersection of the Easterly right of way line of the aforesaid Rail Corporation (which is also the Westerly line of the tract of land conveyed by the Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company to the Chicago and Northern Pacific Railroad Company by Quit Claim Deed dated April 16, 1892, and recorded September 12, 1892, as document number 1731751) and the South line of West 43rd Street extended East; thence West along said South line 85.16 feet to a point of beginning; thence South along a straight line drawn perpendicular to the last described line 52.28 feet; thence West of 20 feet; thence North along a straight line drawn perpendicular to the last

described line 59.28 feet to a point on the South line of aforesaid West 43rd Street; thence East along said South line 20 feet to the point.

PARCEL 2:

An irregular shaped parcel of land in the Southwest Quarter of the Southwest Quarter of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian, including within the limits of said parcel of land, parts of Lots 24 and 27, all of lots 25 and 26 and the 8 foot wide alley lying North of and adjoining said lots in the Subdivision of that part of the South 5 acres of the Southwest Quarter of the Southwest Quarter of said Section 6 lying West of the railroad, North of 47th Street and East of the boulevard as recorded December 5, 1891, under document number 1579357, bounded and described as follows: Beginning at a point on the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6 which is 33 feet North of the South line of said Section 6 and in the North line of West 47th Street; thence West along the North line of West 47th Street, a distance of 90.00 feet, thence North on a line 90.00 feet West of a parallel with the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6, a distance of 587.59 feet to a point which is 81.69 feet South of the South line of the North 293.45 feet of the South Three-Quarter of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6, thence Northeasterly a distance of 84.27 feet to a point in the South line of the North 293.45 feet of the South Three-Quarter of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6 which is 68.75 feet West of the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6, thence Northeasterly a distance of 145.73 feet to point in a line 32.00 feet West of and parallel with the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6 and 152.19 feet South of the North line of the South Three-Quarter of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6; thence Northeasterly and making an angle of 165° 25 minutes 08 seconds (as measured from South to East to Northeast) with the aforesaid parallel line, a distance of 66.00 feet; thence Northeasterly a distance of 56.29 feet to a point in the South line of the North 33.00 feet of the South Three-Quarter of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6; thence East along said South line a distance of 4.00 feet to a point in the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6 (said point being in a line 364.87 feet South of and parallel with the North line of the Southwest Quarter of the Southwest Quarter of said Section 6), thence East along said parallel line a distance of 15.00 feet; thence Southwesterly a distance of 101.01 feet to a point on the East line of the West Half of the Southwest Quarter of the Southwest Quarter of Section 6 (said point being 464.87 feet South of the North line of the Southwest Quarter of the Southwest Quarter of said Section 6), thence South along the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6, a distance of 829.67 feet to the point of beginning, all in Cook County, Illinois.

PARCEL 3:

Part of the Southwest Quarter of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, beginning at a point on the West line of the East Half of said Southwest Quarter of Southwest Quarter of Section 6 aforesaid which is 33 feet North of the South line of said Section 6, and in the North line of West 47th Street; thence North on said West line 829.50 feet to a point which is 464.87 feet South of the North line of the Southwest Quarter of the Southwest Quarter of Section; thence Northeasterly to a point in a line parallel with and 15 feet East

of the West line and 364.87 feet South of the North line of the East Half of said Southwest Quarter of the Southwest Quarter Section; thence North on said parallel line 107.37 feet to a point of curve said point being 257.5 feet South of the North line of said Southwest Quarter of the Southwest Quarter Section; thence along a semi circle convex to the North with a radius of 242.5 feet a distance of 761.83 feet to a point which 257.5 feet South of the North line of said Southwest Quarter of the Southwest Quarter Section; thence East 14.42 feet to a point which is 257.5 feet South of North line and 150 feet West of the East line of said Southwest Quarter of the Southwest Quarter Section; thence South distance of 905.61 feet more or less on a line parallel with said East line to the North line of the South 5 acres of the Southwest Quarter of the Southwest Quarter of Section ;thence West 8 feet to the East line of Lot 5 in Subdivision of South 5 Acres of said Southwest Quarter of the Southwest Quarter Section; thence South on the East line of said Lot 5, 131 feet to the North line of West 47th Street, being 33 feet North of the South line of said Southwest Quarter; thence West along the North line of West 47th Street 506.07 feet more or less to the point of beginning, in Cook County, Illinois.

PARCEL 4:

Those parts of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ all of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows:

Beginning at a point on the West line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ which is 333.36 feet North of the Southwest corner thereof and running thence East parallel with the South line of the last aforementioned East $\frac{1}{2}$ a distance of 68.50 feet; thence North parallel with said West line of the said last aforementioned East $\frac{1}{2}$ a distance of 15.18 feet; thence East a distance of 142.15 feet to a point which is 348.07 feet North of the South line of the last aforementioned East $\frac{1}{2}$; thence Southeastwardly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 206.72 feet to a point 282.90 feet North of said South line of the last aforementioned East $\frac{1}{2}$ and 262 feet West of the East line of said aforementioned East $\frac{1}{2}$; thence South parallel with said East line of said last aforementioned East $\frac{1}{2}$ a distance of 16.33 feet; thence Southeastwardly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.84 feet to a point 121.14 feet North of said South line of said last aforementioned East $\frac{1}{2}$ and 174.85 feet West of said East line of said last aforementioned East $\frac{1}{2}$; thence Southwestwardly a distance of 56.72 feet to a point on the West line of the East 165 feet of said last aforementioned East $\frac{1}{2}$ which point is 65.35 feet North of said South line of said last aforementioned East $\frac{1}{2}$; thence South along said West line of the East 165 feet a distance of 65.35 feet to said South line of said last aforementioned East $\frac{1}{2}$ which is also the North line of said East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ of Section 6; thence East along said North line of the last aforementioned East $\frac{1}{2}$ a distance of 15 feet to the West line of the East 150 feet of said last aforementioned East $\frac{1}{2}$; thence South along said West line of the East 150 feet of said last aforementioned East $\frac{1}{2}$ a distance of 233.33 feet; thence Northwesterly along the arc of a circle having a radius of 258.50 feet and convex Northeasterly a distance of 359.2 feet to a point on said North line of the said last aforementioned East $\frac{1}{2}$ which is 383.33 feet West of the Northeast corner of said last aforementioned East $\frac{1}{2}$ which is also the Southeast corner of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6; thence Westwardly a distance of 33.15 feet to a point which is 3.13 feet North of the South line of said last aforementioned East $\frac{1}{2}$ and 248.20 feet East of the West line of said last aforementioned East $\frac{1}{2}$; thence West parallel with said South line of said last aforementioned East $\frac{1}{2}$ a distance of 52.53 feet; thence North at 90 degrees to the last described line 59.72 feet; thence West parallel with the South line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ 143.53 feet to a point on a curved line (said point being 62.85 feet

North of, as measured along the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, and parallel with the South line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ 52.66 feet East of said West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$); thence Northwestwardly along the arc of a circle having a radius of 192 feet convex Southwesterly a distance of 117.45 feet to a point which is 2.45 feet East of said West line of said last aforementioned East $\frac{1}{2}$ and 166.67 feet North of said South line of said East $\frac{1}{2}$; thence Northwestwardly along the arc of a circle having a radius of 241.70 feet and convex Westerly a distance of 34.46 feet to a point on said West line of said last aforementioned East $\frac{1}{2}$ which is 201 feet North of the Southwest corner thereof and thence North along said West line of said last aforementioned East $\frac{1}{2}$ a distance of 132.36 feet to the point of beginning excepting from that part of the above described parcel which lies within said East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, the East 15 feet thereof, in Cook County, Illinois.

Parcel 5:

Perpetual easement for railroad purposes for the use and benefit of the above Parcel 4 over the following described tract of land:

A strip of land in the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows:

Beginning at a point which is 330.66 feet North of the South line and 351.05 feet West of the East line of said East $\frac{1}{2}$ and running thence Southeastwardly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 101.75 feet to a point which is 282.90 feet North of said South line and 262 feet West of said East line of said East $\frac{1}{2}$; thence South parallel with said East line of the East $\frac{1}{2}$ a distance of 16.33 feet; thence Southeastwardly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.84 feet to a point 121.14 feet North of said South line and 174.85 feet West of said East line of the East $\frac{1}{2}$; thence Southwestwardly a distance of 56.72 feet to a point on the West line of the East 165 feet of said East $\frac{1}{2}$ which is 65.35 feet North of said South line of the East $\frac{1}{2}$; thence North along said West line of the East 165 feet a distance of 97.72 feet to its point of intersection with the arc of a circle having a radius of 259.01 feet convex Northeasterly and concentric with the hereinbefore mentioned arc of 239.01 feet radius and thence Northwestwardly along said arc of 259.01 feet radius a distance of 262.27 feet to the point of beginning as created by indenture recorded as document 15693299, in Cook County, Illinois.

PARCEL 6:

Perpetual Easement for roadway purposes for the use and benefit of Parcel 4 over the following described tract of land:

That part lying North and South of Parcel 4 and of the West 17 feet of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6 (except that part thereof lying South of a line beginning at a point in the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, 87 feet North of the Southwest corner thereof; thence running Southeasterly to a point 17 feet East of the West line and 70 feet North of the South line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6; as reserved in and created by deed recorded as documents 4512051 and 4513726 and as modified and granted by indenture recorded as documents 12796980 and 15693299, in Cook County, Illinois.

PARCEL 7:

Perpetual Easement for roadway purposes for the use and benefit of Parcel 4 as above described over the following described tract of land:

That part of the West ½ of the Northwest ¼ of the Southwest ¼ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

Beginning at the point of intersection of a line 200 feet East of and parallel to the west line of the West ½ of the Northwest ¼ of the Southwest ¼ of said Section 6 and a line 949 feet South of and parallel to the North line of said West ½ thence East along the last described line 464.82 feet more or less to a point in the East line of said West ½; thence South along said last described line 35 feet to its intersection with a line 984 feet South of and parallel to the North line of said West ½; thence West along the last described line to a point 250 feet East of the West line of said West ½; thence North parallel to the West line of said West ½ 5 feet; thence West parallel to the North line of said West ½ to its intersection with a line 200 feet East of and parallel to the West line of said West ½; thence North along the last described line a distance of 30 feet to the point of beginning; as created as to all except the East 15 feet thereof by indenture recorded as document 12796977 and as modified by indenture recorded as document number 12796978 and as reserved as to part thereof by deed recorded as document 12796979 and as modified by indenture recorded as document 15693299 in Cook County, Illinois.

PARCEL 8:

Perpetual easement for roadway purposes for the use and benefit of Parcel 4 as reserved in deed November 1, 1973 as document 22584942 over the following described tract of land:

That part of the Northwest ¼ of the Southwest ¼ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows:

Beginning at the Southeast corner of the West ½ of the Northwest ¼ of the Southwest ¼ of said Section 6; thence West along the South line of the Northwest ¼ of said Southwest ¼ a distance of 15 feet to a point; thence North on a line parallel with and 15 feet West of the East line of the West ½ of the Northwest ¼ of said Southwest ¼ a distance of 102 feet to a point; thence Southeasterly on a straight line to its intersection with a line 17 feet Easterly of and parallel with the West line of the East ½ of the Northwest ¼ of said Southwest ¼ said point of intersection being 70 feet North of the South line of the Northwest ¼ of the Southwest ¼ of said Section 6; thence South along the said line which is parallel to and 17 feet Easterly of the West line of the East ½ of the Northwest ¼ of the Southwest ¼ of said Section 6 a distance of 37 feet to a point; thence East at right angles to the last described line a distance of 1.5 feet thence South at right angles to the last described line a distance of 11.5 feet; thence West at right angles to the last described line a distance of 1.5 feet to its intersections with a line which is 17 feet East of and parallel with the West line of the East ½ of the Northwest ¼ of the Southwest ¼ of said Section 6; thence South along the last described line a distance of 21.5 feet more or less to its intersection with the South line of the Northwest ¼ of the Southwest ¼ of said Section 6; thence West along the South line of the Northwest ¼ of the Southwest ¼ of said Section a distance of 17 feet to the point of beginning, in Cook County, Illinois.

PARCEL 9

That part of the South 493.86 feet of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian described as follows:

Beginning at a point on the West line of said East $\frac{1}{2}$ which is 333.36 feet North of the Southwest corner thereof, which point is also 994.03 feet South of the Northwest corner thereof, and running thence East parallel with the South line of said East $\frac{1}{2}$ a distance of 68.50 feet; thence North parallel with said West line of said East $\frac{1}{2}$, a distance of 15.18 feet; thence East a distance of 142.15 feet to a point which is 348.07 feet North of said South line of said East $\frac{1}{2}$; thence Southeasterly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly, a distance of 206.72 feet to a point 282.90 feet North of said South line of said East $\frac{1}{2}$ and 262 feet West of the East line of said East $\frac{1}{2}$; thence South parallel with said East line of the East $\frac{1}{2}$, a distance of 16.33 feet; thence Southeasterly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.84 feet to a point 121.14 feet North of said South line of the East $\frac{1}{2}$ and 174.85 feet West of said East line of the East $\frac{1}{2}$; thence Southwesterly a distance of 56.72 feet to a point on the West line of the East 165 feet of said East $\frac{1}{2}$ which is 65.35 feet North of the South line of the East $\frac{1}{2}$; thence North along said West line of the East 165 feet a distance of 428.51 feet more or less to its intersection with a line of 493.86 feet North of and parallel to the South line of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, which point is also 83.35 feet South of the North line of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence West along said last described line a distance 499.67 feet more or less to its intersection with said West line of said East $\frac{1}{2}$; and thence South along said West line of said East $\frac{1}{2}$ a distance of 160.50 feet more or less to the point of beginning. Cook County, Illinois.

PARCEL 10

Perpetual easements for roadway purposes for the use and benefit of the above described Parcel 9, over the following described tract of land (A) That part lying North and South of above described Parcel 9, of the West 17 feet of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6 as reserved in and created by deeds recorded as document nos. 4512051 and 4513726, and as modified and granted in part thereof by deed recorded as document 9133317 and indenture recorded as document 12796980 and as created by indenture recorded as document 15693299 (B) That part of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, township 38 North, Range 14, East of the third Principal Meridian, bounded and described as follows beginning at the point of intersection of a line 200 feet East of and parallel to the West line of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, and a line 949 feet South of and parallel to the North line of said West $\frac{1}{2}$; thence East along the last described line 464.82 feet more or less to a point in the East line of the Southwest $\frac{1}{4}$; thence South along said last described line 35 feet to its intersection with a line 984 feet South of and parallel to the North line of said West $\frac{1}{2}$; thence West along the last described line to a point 250 feet East of the West line of said West $\frac{1}{2}$; thence North parallel to the West line of said West $\frac{1}{2}$, 5 feet; thence West parallel to the North line of said West $\frac{1}{2}$ to its intersection with a line 200 feet East of and parallel to the West line of said West $\frac{1}{2}$; thence North along the last described line a distance of 30 feet to the point of beginning, as created as to all except the East 15 feet thereof by indenture recorded as document 12796977 and as modified by indenture recorded as document 12796978 and as reserved as to a part thereof by deed recorded as document 12796979 and as created by indenture recorded as document 15693299 © That part of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian bounded and described as follows to wit: Beginning at the Southeast corner of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence West along the

South line of the Northwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ a distance of 15 feet to a point; thence North on a line parallel with and 15 feet West of the East line of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ a distance of 102 feet to a point; thence Southeasterly on a straight line to its intersection with a line 17 feet Easterly of and parallel with the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$, said point of intersection being 70 feet North of the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, thence South along said line which is parallel to and 17 feet Easterly of the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, a distance of 37 feet to a point; thence East at right angles to the last described line a distance of 1.5 feet; thence South at right angles to last described line a distance of 11.5 feet; thence West at right angles to last described line a distance of 1.5 feet to its intersection with a line which is 17 feet East of and parallel with the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence South along last described parallel line a distance of 21.5 feet more or less to its intersection with the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ thence West along the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said section 6, a distance of 17 feet to the point of beginning, except that part falling in the East $\frac{1}{2}$ of said Northwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ as created by indenture recorded as document 12796980 and in part thereof by deed recorded as document 9133317 and as created by indenture recorded as document 1569299. Cook County, Illinois.

PARCEL 11

Perpetual easement for railroad purposes for the use and benefit of the above described Parcel 9 over the following described tract of land, a strip of land in the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14, East of the Third Principal meridian, described as follows:

Beginning at a point which is 330.66 feet North of the South line and 351.05 feet West of the east line of said East $\frac{1}{2}$ and running thence Southeasterly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 101.75 feet to a point 282.90 feet North of the South line and 262 feet West of said East line of said East $\frac{1}{2}$; thence South parallel with said East line of East $\frac{1}{2}$ a distance of 7.90 feet and thence Northwesterly along the arc of a circle having a radius of 235.85 feet and convex Northeasterly a distance of 106.22 feet to the point of beginning as created by indenture recorded as document no. 15693299, Cook County, Illinois.

PARCEL 12

Perpetual easement for the benefit of above described Parcel 9, over, along, the West 17 feet of the North 823.53 feet of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, for a sewer pipe and other underground utilities, as created by the indentures recorded as document 15693299 and 15837164, Cook County, Illinois.

PARCEL 13

A PARCEL OF LAND IN THE east $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows:

Beginning at a point on the West line of said East $\frac{1}{2}$ which is 833.53 feet South of the North line of the Southwest $\frac{1}{4}$ of said Section 6 and running thence East along a line parallel with the South line of said East $\frac{1}{2}$ to its

intersection with a line 165 feet West of and parallel to the East line of said East $\frac{1}{2}$; thence North along said last parallel line a distance of 10 feet; thence West along a line parallel to said South line of said East $\frac{1}{2}$ to its intersection with the West line of said East $\frac{1}{2}$; thence South along said West line of said East $\frac{1}{2}$ a distance of 10 feet, to the point of beginning. Cook County, Illinois.

PARCEL 14

A parcel of land in the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows:

Beginning at a point on the West line of said East $\frac{1}{2}$ which is 853.53 feet South of the North line of the Southwest $\frac{1}{4}$ of said Section 6 and running thence East on a line parallel with the South line of said East $\frac{1}{2}$ to its intersection with a line 165 feet West of and parallel to the East line of said East $\frac{1}{2}$, said point of intersection being the point of beginning, thence North along said last parallel line, a distance of 30 feet; thence East along a line parallel to said South line of said East $\frac{1}{2}$, a distance of 15 feet; thence South along a line parallel with the East line of said East $\frac{1}{2}$ a distance of 30 feet; thence West along a straight line to the point of beginning, in Cook County, Illinois.

PARCEL 15:

That part of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows: Beginning at a point on a line 52.85 feet North of (as measured along the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6) and parallel with the South line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, 52.68 feet East of said West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence East parallel with the South line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ 143.53 feet to a point; thence South at 90 degrees to last described course 59.72 feet to a pin; thence West 90 degrees to last described course 4.37 feet to a point of curve; thence Northwesterly along a curve line, convex Southwesterly, having a radius of 192 feet, an arc distance of 155.68 feet to the point of beginning; in Cook County, Illinois.

PARCEL 16:

Easements appurtenant to and for the benefit of Parcels 15, 21, 22, 23 as created by deed from American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement and known as Trust Number 21669 to Josie Carlson recorded January 2, 1974 as document number 22584942 for ingress and egress over the following; That part of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows: Beginning at a point on a line 62.85 feet North of (as measured along the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6 and parallel with the South line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, 52.66 feet East of said West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence East parallel with the South line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ 143.53 feet to a point; thence North at 90 degrees to last described course 20.0 feet to a point; thence West at 90 degrees to last described course 160.12 feet to a point on a curved line; thence Southeasterly

along said curved line, convex Southwesterly, having a radius of 192 feet, an arc distance of 26.01 feet to the point of beginning, in Cook County, Illinois.

PARCEL 17:

Perpetual Easement for roadway purposes for the use and benefit of Parcels 15, 21, 22 and 23 above described over the following described tract of land; that part of West 17 feet of East $\frac{1}{2}$ of Northwest $\frac{1}{4}$ of Southwest $\frac{1}{4}$ of said Section 6 lying North and South of the following described parcel; those parts of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of Southwest $\frac{1}{4}$ and the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ all of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows: Beginning at a point on the West line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ which is 333.36 feet North of the Southwest corner thereof and running thence East parallel with the South line of the last aforementioned East $\frac{1}{2}$ a distance of 68.50 feet; thence North parallel with said West line of the said last aforementioned East $\frac{1}{2}$ a distance of 15.18 feet; thence East a distance of 142.15 feet to a point which is 348.07 feet North of the South line of the last aforementioned East $\frac{1}{2}$; thence Southeastwardly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 206.72 feet to a point 282.90 feet North of said South line of last aforementioned East $\frac{1}{2}$; and 262 feet West of the East line of said last aforementioned East $\frac{1}{2}$; thence South parallel with said East line of said last aforementioned East $\frac{1}{2}$ a distance of 16.33 feet; thence Southeastwardly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.984 feet to a point 121.14 feet North of said South line of said last aforementioned East $\frac{1}{2}$ and 174.85 feet West of said East line of said last aforementioned West $\frac{1}{2}$; thence Southwestwardly a distance of 56.72 feet to a point on the West line of the East 165 feet of said last aforementioned East $\frac{1}{2}$ which point is 65.35 feet North of said South line of said last aforementioned East $\frac{1}{2}$; thence South along said West line of the East 165 feet a distance of 65.35 feet to said South line of said last aforementioned East $\frac{1}{2}$ which is also the North line of said East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ of Section 6; thence East along said North line of the last aforementioned East $\frac{1}{2}$ a distance of 15 feet to the West line of the East 150 feet of said last aforementioned East $\frac{1}{2}$; thence South along said West line of East 150 feet of said last aforementioned East $\frac{1}{2}$ a distance of 233.33 feet; thence Northwestwardly along the arc of a circle having a radius of 258.50 feet and convex Northeasterly a distance of 359.2 feet to a point on said North line of the said last aforementioned East $\frac{1}{2}$ which is 383.3 feet West of the Northeast corner of said last aforementioned East $\frac{1}{2}$ which is also the Southeast corner of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, thence westwardly a distance of 33.16 feet to a point which is 3.13 feet North of the South line of said last aforementioned East $\frac{1}{2}$ and 248.20 feet East of the West line of said last aforementioned East $\frac{1}{2}$; thence West parallel with said South line of said last aforementioned East $\frac{1}{2}$ a distance of 56.90 feet; thence Northwestwardly along the arc of a circle having a radius of 192 feet convex Southwesterly a distance of 273.11 feet to a point which is 2.45 feet East of said West line of said last aforementioned East $\frac{1}{2}$; thence Northwestwardly along the arc of a circle having a radius of 241.70 feet and convex westerly a distance of 34.46 feet to a point on said West line of said last aforementioned East $\frac{1}{2}$ which is 201 feet North of the Southwest corner thereof and thence North along said West line of said last aforementioned East $\frac{1}{2}$ a distance of 132.36 feet to the point of Beginning (Except from said West 17 feet that part thereof lying South of a line beginning at a point in the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, 87 feet North of the Southwest corner thereof; thence running Southeasterly to a point 17 feet East of the West line and 70 feet North of the South line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6) as reserved in and created by deeds recorded as document 4512051 and 4513726 and as modified and granted by indenture recorded as document 12796980 and 15693299, Cook County, Illinois.

PARCEL 18:

Perpetual easements for roadway purposes for the use and benefit of the above described Parcels 15, 21, 22 and 23 over the following described tract of land;

That part of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian, bounded and described as follows:

Beginning at the point of intersection of a line 200 feet East of and parallel to the West line of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, and a line 949 feet South of and parallel to the North line of said West $\frac{1}{2}$; thence East along the last described line 464.82 feet more or less to a point in the East line of Southwest $\frac{1}{2}$; thence South along said last described line 35 feet to its intersection with a line 984 feet South of and parallel to the North line of said West $\frac{1}{2}$; thence West along the last described line to a point 250 feet East of the West line of said West $\frac{1}{2}$; thence North parallel to the West line of said West $\frac{1}{2}$, 5 feet; thence West parallel to the North line of said West $\frac{1}{2}$ to its intersection with a line 200 feet East of and parallel to the West line of said West $\frac{1}{2}$; thence North along the last described line a distance of 30 feet to the point of beginning, as created as to all except the East 15 feet thereof by indenture recorded as document 12796977 and as modified by indenture recorded as document 12796978 and as reserved as to a part thereof by deed recorded as document 12796979 and as created by indenture recorded as document 15693299 (Excepting from said premises that part falling in the property described therein), Cook County, Illinois.

PARCEL 19:

Perpetual easement for roadway purposes for the use and benefit of Parcels 15, 21, 22, and 23 above described over the following described tract of land:

That part of the following described parcel falling in the West 17 feet of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, those parts of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ all of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows: Beginning at a point on the West line of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ which is 333.36 feet North of the Southwest corner thereof and running thence East parallel with the South line of last aforementioned East $\frac{1}{2}$ a distance of 68.50 feet; thence North parallel with said West line of the said last aforementioned East $\frac{1}{2}$ a distance of 15.18 feet; thence East a distance of 142.15 feet to a point which is 348.07 feet North of the South line of the last aforementioned East $\frac{1}{2}$; thence Southeastwardly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 206.72 feet to a point 282.90 feet North of said South line of last aforementioned East $\frac{1}{2}$ and 262 feet West of the East line of said aforementioned East $\frac{1}{2}$; thence South parallel with said East line of said last aforementioned East $\frac{1}{2}$ a distance of 16.33 feet; thence Southeastwardly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.84 feet to a point 121.14 feet North of said South line of said last aforementioned East $\frac{1}{2}$ and 174.85 feet West of said East line of said last aforementioned East $\frac{1}{2}$; thence Southwestwardly a distance of 56.72 feet to a point on the West line of the East 165 feet of said last aforementioned East $\frac{1}{2}$; thence South along said West line of the East 165 feet a distance of 65.35 feet to said South line of said last aforementioned East $\frac{1}{2}$ which is also the North line of said East $\frac{1}{2}$ of the

Southwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ of Section 6; thence East along said North line of the last aforementioned East $\frac{1}{2}$ a distance of 15 feet to the West line of the East 150 feet of said last aforementioned East $\frac{1}{2}$ thence South along said West line of the East 150 feet of said last aforementioned East $\frac{1}{2}$ a distance of 233.33 feet; thence Northwesterly along the arc of a circle having a radius of 258.50 feet and convex Northeasterly a distance of 359.2 feet to a point on said North line of the said last aforementioned East $\frac{1}{2}$ which is 383.33 feet West of the Northeast corner of said last aforementioned East $\frac{1}{2}$ which is also the Southeast corner of said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6; thence Westwardly a distance of 33.15 feet to a point which is 3.13 feet North of the South line of said last aforementioned East $\frac{1}{2}$ and 248.20 feet East of the West line of said last aforementioned East $\frac{1}{2}$; thence West parallel with said South line of said last aforementioned East $\frac{1}{2}$ a distance of 56.90 feet; thence Northwestwardly along the arc of circle having a radius of 192 feet convex Southwesterly a distance of 273.11 feet to a point which is 2.45 feet East of said West line of said last aforementioned East $\frac{1}{2}$ and 166.67 feet North of said South line of said East $\frac{1}{2}$; thence Northwestwardly along the arc of a circle having a radius of 241.70 feet and convex Westerly a distance of 34.46 feet to a point on said West line of said last aforementioned East $\frac{1}{2}$ which is 201 feet North of the Southwest corner thereof and thence North along said South line of said last aforementioned East $\frac{1}{2}$ a distance of 132.36 feet, to point of beginning, Cook County, Illinois.

PARCEL 20:

That part of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

Beginning at a point on the line between the East $\frac{1}{2}$ and the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Southwest $\frac{1}{4}$ 106.8 feet South of the North line of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence Northwestwardly on a straight line to a point 10.8 feet South of the North line and 155.5 feet East of the West line of the East $\frac{1}{2}$ of said Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence Northwestwardly on a curve to the Southwest with a radius of 230 feet to a point 52 feet North of the South line and 35 feet East of the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6; Northwestwardly on a straight line to its intersection with a line 17 feet Easterly of and parallel to the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said section 6, said point of intersection being 70 feet North of the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence South along said line which is parallel to and 17 feet Easterly of the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, a distance of 37 feet to a point; thence East at right angles to the last described line, a distance of 1.5 feet; thence South at right angles at the last described line a distance of 11.5 feet; thence West at right angles to the last described line, a distance of 1.5 feet to its intersection with a line which is 17 feet East of and parallel with the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence South along described parallel line, a distance of 21.5 feet more or less to its intersection with the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence West along the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 4 to its intersection with the line between the East $\frac{1}{2}$ and the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence South along said last described line, a distance of 106.8 feet to the point of beginning, in Cook County, Illinois.

PARCEL 21:

That part of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows: Beginning at a point 200 feet East of the West line and 299.03 feet North of the South line of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, said point being also 1029 feet South of the North line of said West $\frac{1}{2}$ thence Easterly along a straight line 1029 feet South of and parallel to the North line of said West $\frac{1}{2}$, a distance of 449.62 feet more or less to a point 15 feet West of the East line and 298.59 feet North of the South line of said West $\frac{1}{2}$; thence South along a line 15 feet West and parallel to the East line of the West $\frac{1}{2}$, a distance of 265.59 feet to its intersection with a line 33 feet North of and parallel to the South line of said West $\frac{1}{2}$; thence West on the last described line, a distance of 449.52 feet more or less to its intersection with a line 200 feet East of and parallel to the West line of said West $\frac{1}{2}$; thence North along the last described line, a distance of 266.03 feet to the point of beginning; Cook County, Illinois.

PARCEL 22:

That part of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, being at a point of intersection of a line 200 feet East of and parallel to the West line of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and a line 1029 feet South of and parallel to the North line of said West $\frac{1}{2}$; a thence East along the last described line 449.62 feet more or less to its intersection with a line 15 feet West of and parallel to the East line of said West $\frac{1}{2}$; thence North along the last described line 60 feet; thence West on a line which is 969 feet South of and parallel to the North line of said West $\frac{1}{2}$, 449.62 feet more or less to its intersection with a line 200 feet East and parallel with the West line of said West $\frac{1}{2}$; thence South along said last described line 60 feet to the point of beginning. Cook County, Illinois.

PARCEL 23:

That part of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian bounded and described as follows;

Beginning at the Southeast corner of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence West along the South line of the Northwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ a distance of 15 feet to a point; thence North on a line parallel with and 15 feet West of the East line of the West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$ a distance of 102 feet to a point; thence Southeasterly on a straight line to its intersection with a line 17 feet Easterly of and parallel with the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Southwest $\frac{1}{4}$, said point of intersection being 70 feet North of the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, thence South along said line which is parallel to and 17 feet Easterly of the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, a distance of 37 feet to a point; thence East at right angles to last described line a distance of 1.5 feet; thence South at right angles to last described line a distance of 11.5 feet; thence West at right angles to last described line a distance of 1.5 feet to its intersection with a line which is 17 feet East of and parallel with the West line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6; thence South along last described parallel line a distance of 21.5 feet more or less to its intersection with the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ thence West along the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 6, a distance of 17 feet to the point of beginning. All in Cook County, Illinois.

PARCEL 24:

Perpetual unrecorded easement for roadway purposes for the use and benefit of parcels 21, 22, and 23 above described over the following described tract of land lying South of the North 949.00 feet thereof:

The East 15 feet of the Northwest $\frac{1}{4}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 38 North Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PINS: 20-06-300-013-000
20-06-300-016-000
20-06-302-017-000
20-06-302-019-000
20-06-302-021-000
20-06-501-005-000
20-06-302-013-000
20-06-302-026-000
20-06-302-018-000
20-06-302-020-000
20-06-300-030-000
20-06-300-020-000
20-06-300-031-000
20-06-300-009-000
20-06-302-014-000
20-06-300-008-000
20-06-300-015-000

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT B-3

LEGAL DESCRIPTION OF THE ATLAS TUBE FACILITY

A legal description of the Atlas Tube facility is attached to this exhibit cover sheet.

EXHIBIT A

DESCRIPTION OF THE LEASED LAND

Parcel 1:

That part of the Fractional Section 25 and Section 26 South of the Indian boundary line and that part of Lake Calumet, all in Township 37 North, Range 14 East of the Third Principal Meridian, described as is described in the following:

Commencing at the intersection of a line 660 feet North of and parallel with the South line of said Section 26, with the West line of and said line extended of said Section 25; thence Northeasterly along a line forming an angle of 135 degrees from West to the Northeast with said parallel line a distance of 1286.90 feet to the point of intersection with a line which is 1750 feet West of and parallel with the North and South center line of said Section 25; thence North 0 degrees 00 minutes 48 seconds East along said parallel line a distance of 3,600.65 feet to a point 86.25 feet (as measured along said parallel line) South of the North line of the Northwest Quarter of said Section 25; thence North 89 degrees 59 minutes 12 seconds West along a line which is perpendicular to the North and south center line of Section 25 a distance of 400.00 feet to the point of beginning of the tract herein described; thence North 0 degrees 00 minutes 48 seconds East along a line parallel with said North and South center line a distance of 65.37 feet to the point of intersection with a line drawn 15.00 feet South of and parallel with the North line of said Section 25; thence South 89 degrees 10 minutes 18 seconds West along the last described parallel line, a distance of 500.06 feet to the point to intersection with a line drawn 2,650 feet West of and parallel with the North and South center line of Section 25; thence South 0 degrees 00 minutes 48 seconds West along said parallel line a distance of 58.03 feet to the intersection with a line drawn perpendicularly to the North and South center line of Section 25, through herein designated point of beginning; thence North 89 degrees 59 minutes 12 seconds West along the last described perpendicular line a distance of 500.00 feet; thence South 0 degrees 00 minutes 48 seconds West a distance of 1,274.12 feet; thence South 89 degrees 59 minutes 12 seconds East a distance of 1,230.085 feet; thence North 0 degrees 16 minutes 23 seconds West a distance of 237.42 feet; thence North 4 degrees 05 minutes 11 seconds East a distance of 363.062 feet; thence North 0 degrees 12 minutes 40 seconds West a distance of 274.52 feet; thence North 14 degrees 59 minutes 21 seconds West a distance of 207.10 feet; thence North 89 degrees 59 minutes 12 seconds West a distance of 200.00 feet; thence North 0 degrees 00 minutes 48 seconds East a distance of 200.00 feet to the herein designated point of beginning, all in Cook County, Illinois.

Parcel 2: Easements for the benefit of Parcel 1, said easements described as follows:

(A) An easement to use the plant road in common with others from the harbor to the plant gate at East 122nd street, which road is approximately 24 feet in width, running along the Eastern boundary of Parcel 1 as outlined on Exhibit "A" attached to amendment No. 1 to said Sublease dated June 20, 1969;

(B) An easement over the land lying between Parcel 1 and the plant road referred to in Parcel 2(A) above for the purpose of constructing, using and maintaining a driveway for access from Parcel 1 to Parcel 2(A) above, the center line of said easement being parallel to and approximately 169.24 feet North of the South boundary of Parcel 1 extended, and said easement being approximately 40 feet in width flaring to approximately 160 feet in width where it joins Parcel 2(A);

(C) Easement to construct and use a road approximately 30 feet in width, running from the point where East 122nd Street extended intersects the East boundary of the Sublessor's property leased to Bulk Terminals Company, a Delaware corporation, by Lease dated July 1, 1960 executed June 25, 1960 and Lease (Short Form) dated July 1, 1960 recorded March 27, 1961 as document 18119146, West in straight line extension of 122nd Street approximately 800 feet, all in Cook County, Illinois.

PIN: 25-26-600-001-8010

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

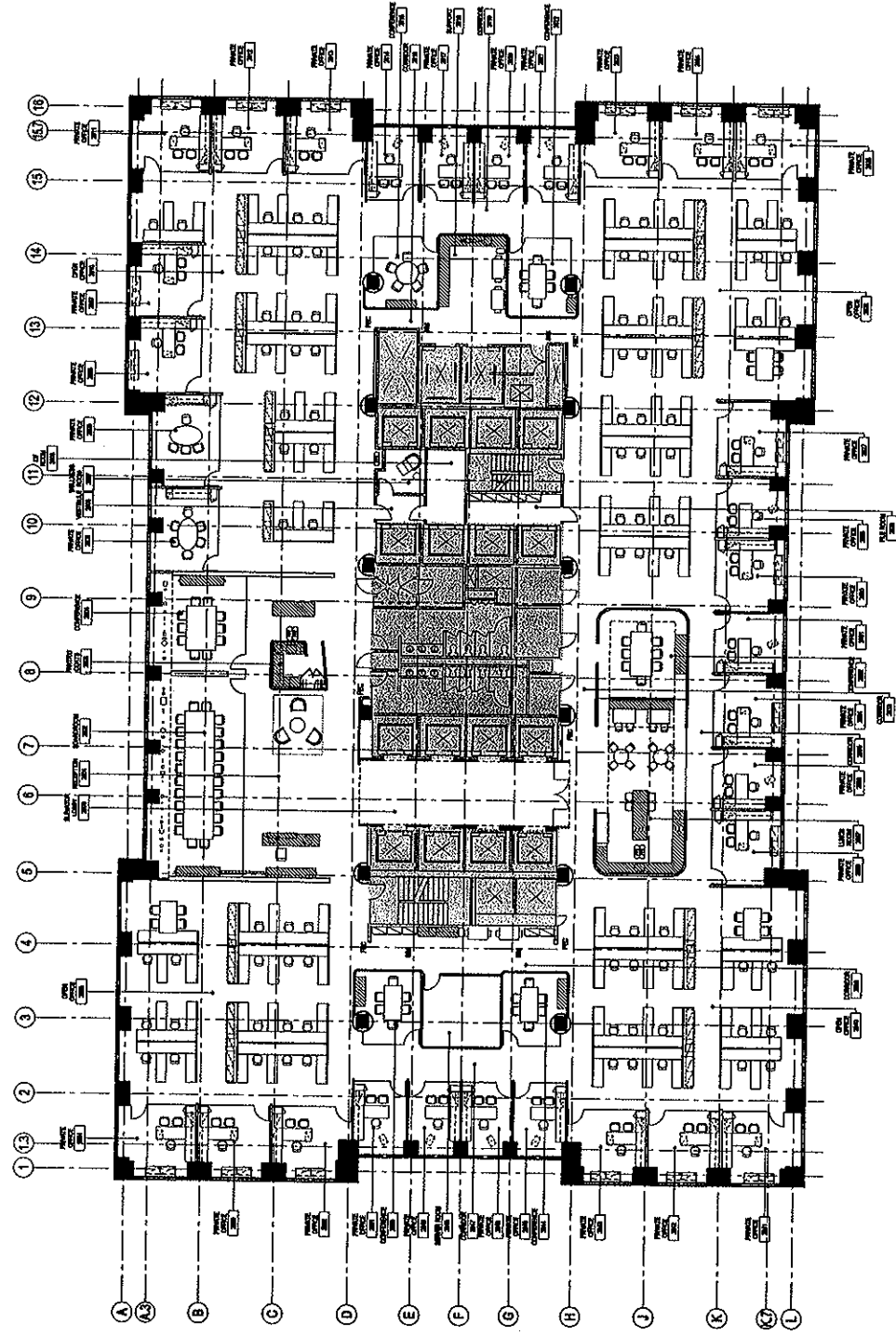
EXHIBIT B-4

SITE PLAN FOR THE PROJECT / HEADQUARTERS SPACE

A Site Plan for the Project / Headquarters Space property is attached to this exhibit cover sheet.

KEY NOTES

SHEET NOTES



**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT C

REDEVELOPMENT PLAN

The Redevelopment Plan for the LaSalle Central Redevelopment Project Area is attached to this exhibit cover sheet.

**AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS
APPROVING A REDEVELOPMENT PLAN
FOR THE
LASALLE CENTRAL REDEVELOPMENT PROJECT AREA**

WHEREAS, it is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et. seq.*, as amended (the "Act"), for a proposed redevelopment project area to be known as the LaSalle Central Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project attached hereto as Exhibit A (the "Plan"); and

WHEREAS, by authority of the Mayor and the City Council of the City (the "City Council," referred to herein collectively with the Mayor as the "Corporate Authorities") and pursuant to Section 5/11-74.4-5(a) of the Act, the City's Department of Planning and Development established an interested parties registry and, on March 29, 2006 published in a newspaper of general circulation within the City a notice that interested persons may register in order to receive information on the proposed designation of the Area or the approval of the Plan; and

WHEREAS, the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act since June 29, 2006, being a date not less than 10 days before the meeting of the Community Development Commission of the City ("Commission") at which the Commission adopted Resolution 06-CDC-60 on July 11, 2006 fixing the time and place for a public hearing ("Hearing"), at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was sent by mail on July 21, 2006 which is within a reasonable time after the adoption by the Commission of Resolution 06-CDC-60 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located within 750 feet of the boundaries of the Area (or, if applicable, were determined to be the 750 residential addresses that were closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on July 19, 2006, by publication in the Chicago Sun-Times or Chicago Tribune on August 18, 2006 and August 25, 2006, by certified mail to taxpayers within the Area on August 15, 2006; and

WHEREAS, a meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on August 4, 2006 at 10:00 a.m., to review the matters properly coming before the Board and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

WHEREAS, pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Commission held the Hearing concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on September 12, 2006; and

WHEREAS, the Commission has forwarded to the City Council a copy of its Resolution 06-CDC-72 attached hereto as Exhibit B, adopted on September 12, 2006, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, the Corporate Authorities have reviewed the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study), testimony from the Public Meeting and the Hearing, if any, the recommendation of the Board, if any, the recommendation of the Commission and such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; 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. The Area. The Area is legally described in Exhibit C attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit D attached hereto and incorporated herein. The map of the Area is depicted on Exhibit E attached hereto and incorporated herein.

Section 3. Findings. The Corporate Authorities hereby make the following findings as required pursuant to Section 5/11-74.4-3(n) of the Act:

- a. The Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed

without the adoption of the Plan;

b. The Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission;

c. The Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than 20 years;

d. The Plan will not result in displacement of residents from inhabited units.

Section 4. Approval of the Plan. The City hereby approves the Plan pursuant to Section 5/11-74.4-4 of the Act.

Section 5. Powers of Eminent Domain. In compliance with Section 5/11-74.4-4(c) of the Act and with the Plan, the Corporation Counsel is authorized to negotiate for the acquisition by the City of parcels contained within the Area. In the event the Corporation Counsel is unable to acquire any of said parcels through negotiation, the Corporation Counsel is authorized to institute eminent domain proceedings to acquire such parcels. Nothing herein shall be in derogation of any proper authority.

Section 6. 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 7. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 8. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

LaSalle Central Redevelopment Project Area
Tax Increment Finance District
Eligibility Study, Redevelopment Plan and Project

City of Chicago
Richard M. Daley, Mayor

June 29, 2006
Revised July 6, 2006
Revised November 6, 2006

1. Executive Summary

In October 2005, *S. B. Friedman & Company* was engaged to conduct a Tax Increment Financing Eligibility Study (the "Eligibility Study") for the proposed LaSalle Central Redevelopment Project Area. This report details the eligibility factors found within the proposed LaSalle Central Redevelopment Project Area in support of its designation as a "conservation area" within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), and thus in support of its designation as the LaSalle Central Redevelopment Project Area (the "LaSalle Central RPA" or "RPA"). In addition, since the Eligibility Study has determined that the RPA qualifies as a conservation area, this report also contains the Redevelopment Plan and Project (the "Redevelopment Plan" or "Redevelopment Plan and Project") for the LaSalle Central RPA.

The LaSalle Central RPA is located within the Loop and Near West Side community areas ("Community Area") of the City of Chicago, and is generally bounded by Dearborn Street on the east, Van Buren Street on the south, the Chicago River and Canal Street on the west, and portions of the Chicago River, Lake, Randolph and Washington streets on the north.

Determination of Eligibility

This Eligibility Study concludes that the LaSalle Central RPA is eligible for Tax Increment Financing ("TIF") designation as a "conservation area" because 50 percent or more of the structures in the area are 35 years in age or older, and because the following six eligibility factors have been found to be present to a meaningful extent and reasonably distributed throughout the RPA:

1. Lack of Growth in Equalized Assessed Value (EAV);
2. Inadequate Utilities;
3. Excessive Vacancies;
4. Presence of Structures Below Minimum Code Standards;
5. Deterioration; and
6. Obsolescence.

Redevelopment Plan, Goal, Objectives, and Strategies

Goal. The overall goal of the Redevelopment Plan is to reduce or eliminate the conditions that qualify the LaSalle Central RPA as a conservation area, and to provide the mechanisms necessary to support public and private development and improvements in the RPA. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate private investment in rehabilitation of existing structures and new development. Eliminating these conditions and facilitating development within the RPA will insure that the Loop remains a vital business and employment center.

Objectives. Thirteen broad objectives support the overall goal of area-wide revitalization of the LaSalle Central RPA. These include:

1. Provide resources for the rehabilitation and modernization of existing structures, particularly historically and architecturally significant buildings;
2. Encourage high-quality commercial and retail development which enhances the architectural character of the area, promotes a lively pedestrian environment, and attracts unique retailers to the area;
3. Promote the RPA as a center of employment and commercial activity, through the attraction and retention of major employers and corporate headquarters, and by providing assistance to small and/or growing businesses;
4. Improve the quality of existing open space and provide additional public open space through streetscaping and provision of new plazas, parks and public gathering spaces;
5. Provide resources for improvements to the Chicago River wall and riverwalk, and promote the recreational use of the River;
6. Promote a pedestrian-friendly environment, particularly along streets designated as Pedestrian and Mobility Streets in the Chicago Zoning Ordinance, and improve connections in the underground pedway system;
7. Improve vehicular circulation throughout the RPA, through improvements to streets, alleys and loading areas;
8. Improve transit and transit stations within the RPA, and advance the development of the Monroe Avenue Transitway;
9. Replace or repair public infrastructure where needed, including streets, sidewalks, curbs, gutters, underground water and sanitary systems, alleys, bridges and viaducts;
10. Encourage environmentally-sensitive development, including development that incorporates green roofs and that achieves LEED certifications;
11. Provide opportunities for women-owned, minority-owned, and locally-owned businesses to share in job opportunities associated with the redevelopment of the LaSalle Central RPA, particularly in the design and construction industries;
12. Support job training and welfare to work programs and increase employment opportunities for City residents; and
13. Provide daycare assistance to support employees of downtown businesses.

Strategies. These objectives will be implemented through five specific and integrated strategies. These include:

1. **Implement Public Improvements.** A series of public improvements throughout the LaSalle Central RPA may be designed and implemented to build upon and improve the character of the area, and to create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include improvement of new streets, streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with the Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

2. **Encourage Private Sector Activities and Support Rehabilitation of Existing Buildings.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners, to undertake rehabilitation and redevelopment projects and other improvements, in addition to programming such as job training and retraining, that are consistent with the goals of this Redevelopment Plan and Project.

The City may enter into redevelopment agreements or intergovernmental agreements with private or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

The City requires that developers who receive TIF assistance for market-rate housing set aside twenty percent (20 percent) of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than one hundred percent (100 percent) of the area median income, and affordable rental units should be affordable to persons earning no more than sixty percent (60 percent) of the area median income. TIF funds can also be used to pay for up to fifty percent (50 percent) of the cost of construction or up to seventy five percent (75 percent) of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

3. **Assist Employers Seeking to Relocate or Expand Facilities.** The City may provide assistance to businesses and institutions that are major employers and which seek to relocate to or expand within the LaSalle Central RPA. This assistance may be provided through support of redevelopment and rehabilitation projects in existing buildings, assistance with land acquisition and site preparation for new facilities, or assistance with financing costs.

4. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the LaSalle Central RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.
5. **Facilitate Property Assembly, Demolition, and Site Preparation.** Financial assistance may be provided to private developers seeking to acquire land, and to assemble and prepare sites in order to undertake projects in support of this Redevelopment Plan and Project.

To meet the goals of this Redevelopment Plan and Project, the City may acquire and assemble property throughout the RPA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program or other programs and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

Required Findings

The conditions required under the Act for the adoption of the Eligibility Study and Redevelopment Plan and Project are found to be present within the LaSalle Central RPA.

1. The RPA has not been subject to growth and development through investment by private enterprise or not-for-profit sources. The EAV of the LaSalle Central RPA has not kept pace with the City of Chicago as a whole. In addition, construction activity within the RPA has largely been limited to a small number of buildings, and the total value of these construction projects has been small relative to the market value of the area.
2. Without the support of public resources, the redevelopment objectives of the LaSalle Central RPA will most likely not be realized. TIF assistance may be used to fund rehabilitation, infrastructure improvements, and expansions to public facilities. Without the creation of the LaSalle Central RPA, these types of projects are not likely to occur.
3. The LaSalle Central RPA includes only the contiguous real property that is expected to substantially benefit from the proposed Redevelopment Plan and Project improvements.
4. The proposed land uses described in this Redevelopment Plan and Project will be approved by the Chicago Plan Commission prior to its adoption by the City Council.

2. Introduction

The Study Area

This document serves as the Eligibility Study and Redevelopment Plan and Project for the LaSalle Central Redevelopment Project Area. The LaSalle Central RPA is located within the Loop and Near West Side community areas of the City of Chicago (the "City"), in Cook County (the "County"). In October 2005, *S. B. Friedman & Company* was engaged to conduct a study of certain properties in these neighborhoods to determine whether the area containing these properties would qualify for status as a "blighted area" and/or "conservation area" under the Act.

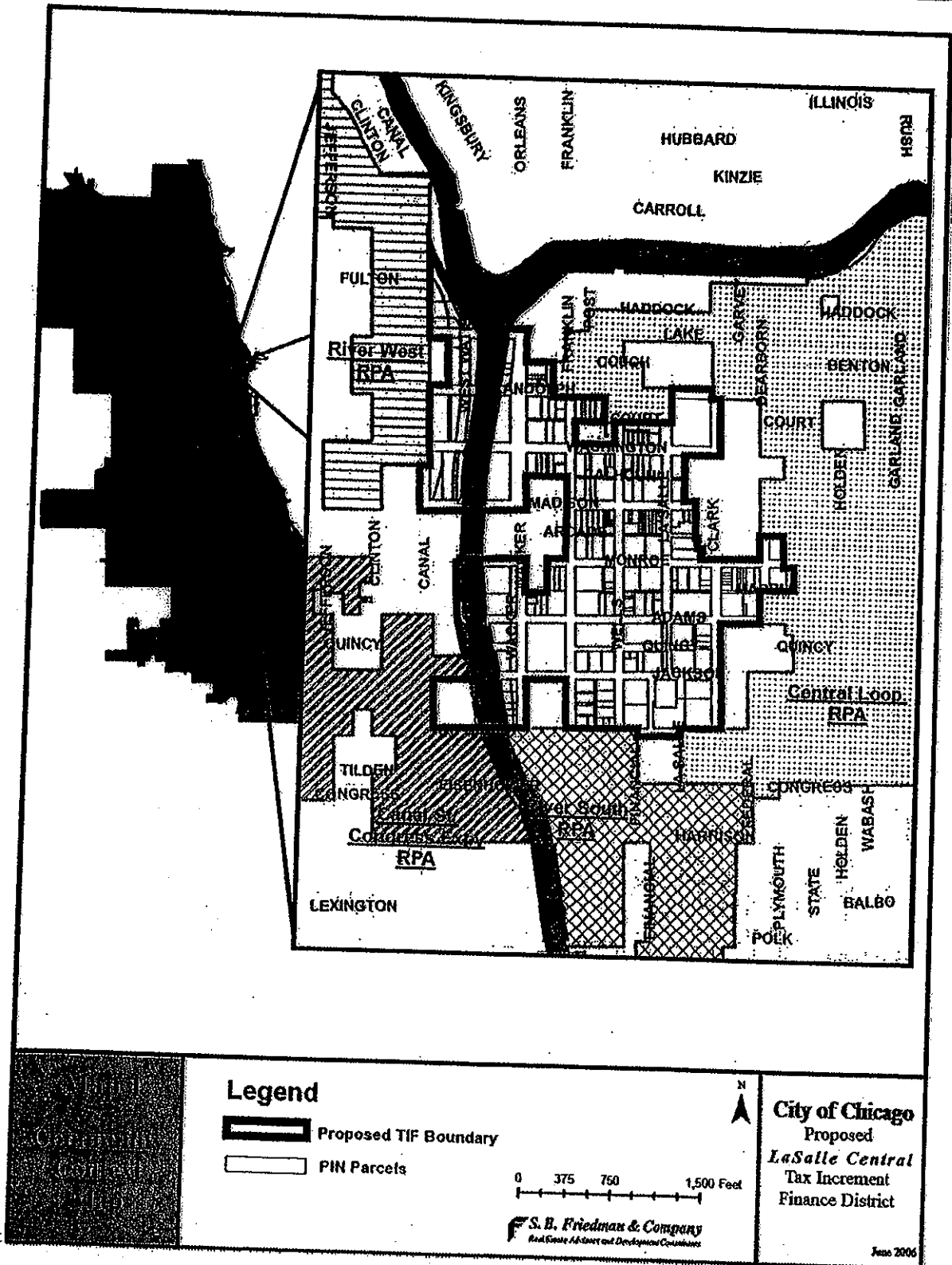
The Eligibility Study and Plan summarizes the analyses and findings of *S.B. Friedman & Company's* work, which, unless otherwise noted, is the responsibility of *S.B. Friedman & Company*. The City is entitled to rely on the findings and conclusions of this Eligibility Study and Plan in designating the LaSalle Central Redevelopment Project Area as a redevelopment project area under the Act. *S. B. Friedman & Company* has prepared this Eligibility Study and Plan with the understanding that the City would rely: 1) on the findings and conclusions of the Eligibility Study and Plan in proceeding with the designation of the LaSalle Central Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that *S.B. Friedman & Company* has obtained the necessary information to conclude that the LaSalle Central Redevelopment Project Area can be designated as a redevelopment project area under the Act and that the Eligibility Study and Plan will comply with the Act.

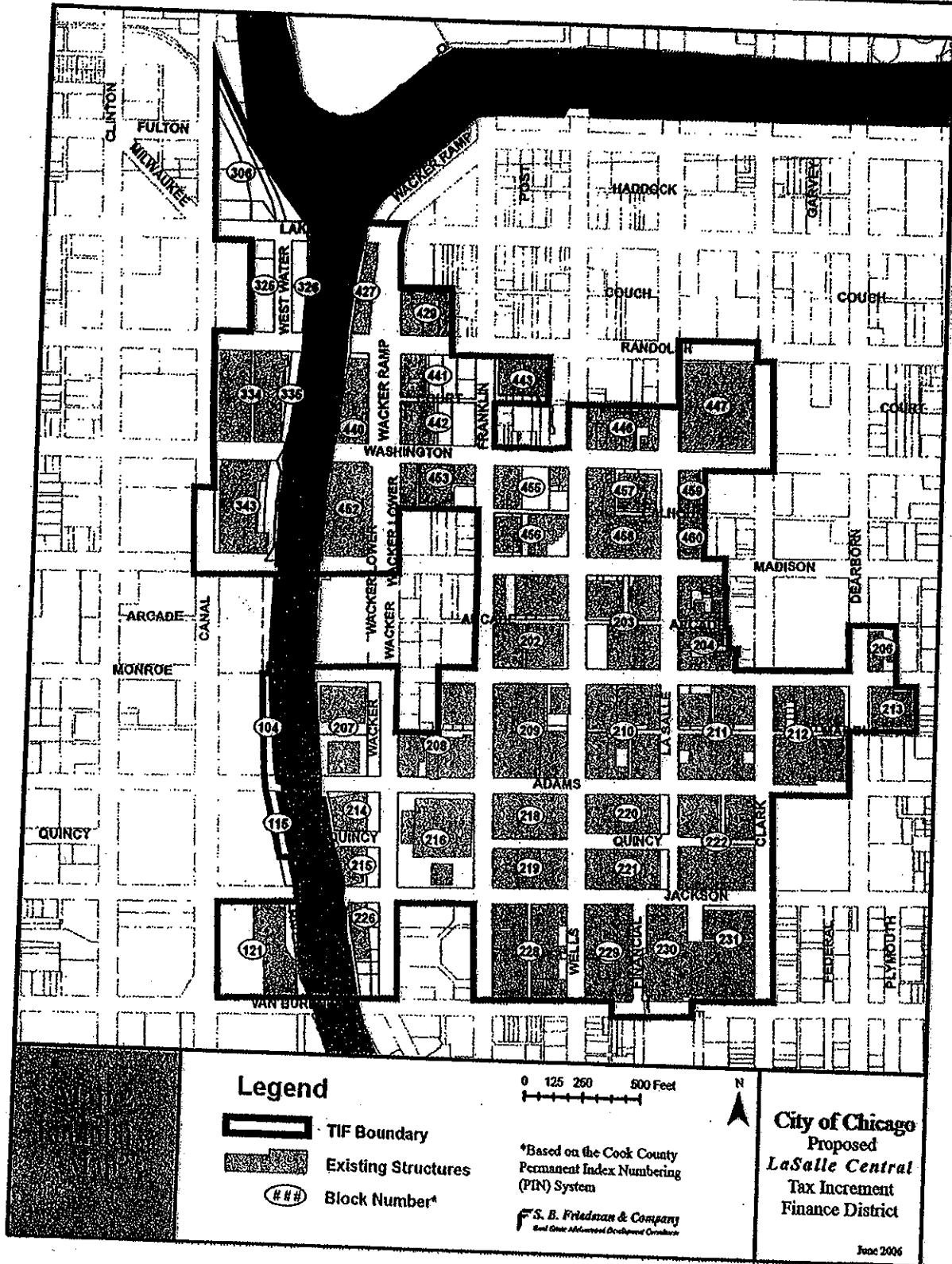
The community context of the LaSalle Central RPA is detailed on Map 1. The RPA encompasses portions of the Central Loop, West Loop and LaSalle Street submarkets of the Central Business District ("CBD"). It is generally bounded by Dearborn Street on the east, Van Buren Street on the south, the Chicago River and Canal Street on the west, and portions of the Chicago River, Lake, Randolph and Washington Streets on the north. The RPA consists of 273 tax parcels on 49 blocks, and is located wholly within the City of Chicago.

Map 2 details the boundary of the LaSalle Central RPA, which includes only the contiguous real property that is expected to substantially benefit from the Redevelopment Plan and Project improvements discussed herein.




Appendix 1 contains a legal description of the LaSalle Central RPA.

The Eligibility Study covers events and conditions that exist and that were determined to support the designation of the LaSalle Central RPA as a "conservation area" under the Act at the completion of our research on June 26, 2006 and not thereafter. Events or conditions, such as governmental actions and additional developments occurring after that date are excluded from the analysis. The improved parcels suffer from excessive vacancy, inadequate utilities, presence of structures below minimum code standards, and lack of growth and investment. In addition, many





Legend

-  TIF Boundary
-  Existing Structures
-  Block Number*

0 125 250 500 Feet

*Based on the Cook County Permanent Index Numbering (PIN) System

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buildings are served by deteriorated infrastructure or demonstrate obsolescence. Without a comprehensive approach to address these issues, the RPA is not likely to see substantial private investment. The Redevelopment Plan and Project address these issues by providing the means to facilitate private development and rehabilitation, and the construction of public infrastructure. These improvements will benefit all of the property within the RPA by alleviating conditions qualifying the RPA as a conservation area.

History of Community Area¹

The LaSalle Central RPA is located principally within Chicago's Loop Community Area, which is bounded roughly by the Chicago River on the north and west, Congress Parkway on the south, and Lake Michigan on the east. The northwest portion of the RPA, which lies just west of the Chicago River, is in the Near West Side Community Area. The development and history of this portion of the Near West Side has been closely tied to that of the Loop.

The Loop has historically served as the commercial center of the City of Chicago and of the wider Chicago metropolitan area. Development in the area dates back to the earliest days of the City. Jean Baptiste Point DuSable, the first non-Native American settler of the region, established a trading post on the north bank of the Chicago River in the late 18th century, and Fort Dearborn was established on the south bank of the river in 1803-04. By the late 1820s, a small community of traders had established a village at the confluence of the North and South Branches of the Chicago River, and the City was incorporated in 1837.

The population of the area grew rapidly during the mid-19th century, fueled by a series of infrastructure projects and the economic opportunities those projects created. In 1848, the Illinois and Michigan Canal was completed, linking the Great Lakes with the Mississippi River. The same year the Galena and Chicago Railroad was also completed. These transportation improvements opened up new markets to Chicago's businesses, provided access to raw materials, and established Chicago as a center of the transportation industry. In addition, the Chicago Board of Trade was established that same year, cementing the City's position as the financial center of the Midwest.

During the latter half of the 19th century the character of the various sub-districts of the Loop solidified. Potter Palmer engineered the shift of the City's retail district from Lake Street to State Street during the 1860s. The Chicago Board of Trade's move to LaSalle Street in 1865 established that street as the financial center of the City. The City's first major railroad station, Central Depot, was constructed by the Illinois Central Railroad in 1856, and in subsequent decades major railroad depots were constructed on the fringes of the Loop, along Canal Street and south of Congress Parkway.

The Fire of 1871 had a profound impact on the character of the Loop, destroying most of the business district, as well as much of its residential housing. Before 1871, 28,000 people lived in the Loop; after the Fire, few homes were rebuilt in the area, further solidifying its commercial

¹ Information on the history of the Loop and Near West Side community areas was derived from the *Local Community Fact Book of Chicago Metropolitan Area 1990*, edited by the Chicago Fact Book Consortium (copyright 1995, Board of Trustees of the University of Illinois), and the *Encyclopedia of Chicago*.

character. In subsequent years, technological advances such as the passenger elevator, spread footings, steel frame construction and fireproofing allowed construction of the world's first commercial skyscrapers, beginning with William LeBaron Jenney's Home Insurance Building at the corner of LaSalle and Adams Streets in 1885. By 1904, 21 high-rise buildings had been constructed in the Loop. A newly created mass transportation system, which linked the Loop to outlying areas, also helped to maintain the primacy of the Loop as the City's employment center. Cable cars appeared in the Loop in 1882, and the first segment of the City's elevated train system was completed in 1902. In 1907 the various elevated train lines were united by a stretch of tracks above Wells, Lake, Wabash and Van Buren Streets, giving the area its eponymous feature.

The 1920s saw a second boom in skyscraper construction in the Loop, centered primarily along LaSalle Street and the newly completed, two-level Wacker Drive. The construction of this thoroughfare, as well as the need for parking lots to accommodate the newly available automobile, drove the wholesale industry from the Loop during this time period. The Great Depression and World War II brought an end to construction activity in the Loop for more than twenty years, from 1933 to 1955. After 1955, development in the Loop exploded once again, catalyzed by such government projects as the Federal Center and the Daley Center. Over 30 million square feet of office space was constructed in the Loop between 1957 and 1977.

Despite this construction boom, competition from suburban office markets and the declining fortune of heavy manufacturing sectors took its toll on the Loop during the 1970s. Rail yards on the fringes of the CBD had become disused, and State Street, facing competition from suburban shopping malls, had steadily declined to become a district of discount clothing stores and transient hotels. The North Loop, a popular entertainment district in the 1950s and 1960s, had become run-down as well, with many once popular movie houses shutting their doors. Efforts to rehabilitate these areas during the 1980s and 1990s proved successful. Residential developments such as Printers Row, Dearborn Park and Central Station replaced former industrial uses on the fringes of the Loop. South State Street became home to several colleges and education users, while the North Loop became an important theater and entertainment destination. The completion of Millennium Park in 2004 catalyzed residential development in the East Loop, and State Street has seen a resurgence of retail activity.

Nevertheless, the La Salle Central RPA faces several challenges today. Consolidation within the banking industry has diminished the importance of LaSalle Street as a center of the financial services sector. Office buildings near the commuter rail stations of the West Loop have drawn tenants away from the area's traditional commercial core, and vacancy rates in many of the Loop's older office buildings have climbed to economically unsustainable levels. Wacker Drive, the principal arterial roadway for the RPA, has become seriously deteriorated. Finally, increased competition among communities for corporate headquarters and the use of special tax incentives by nearby municipalities and other cities threatens to diminish the La Salle Central RPA's position as the area's employment center. Designation of the area as a tax increment financing district will provide resources to help address these issues.

Existing Land Use

The existing land use of the proposed LaSalle Central RPA is characteristic of its role as the Central Business District for the Chicago metropolitan area. The majority of properties are developed as commercial office buildings with retail uses on the ground floors and service uses scattered throughout. In addition, there are several small surface parking lots, as well as eight multi-story commercial parking structures, which are concentrated along Wells Street. Vacant land is limited to the northwestern portions of the RPA, particularly along Franklin Street and along the west bank of the South Branch of the Chicago River. A small number of parcels are occupied by railroad tracks, also along the Chicago River. The RPA does not include any residential uses, and there is one hotel along Adams Street. Existing land use is shown on Map 3, which shows the predominant land use by block.

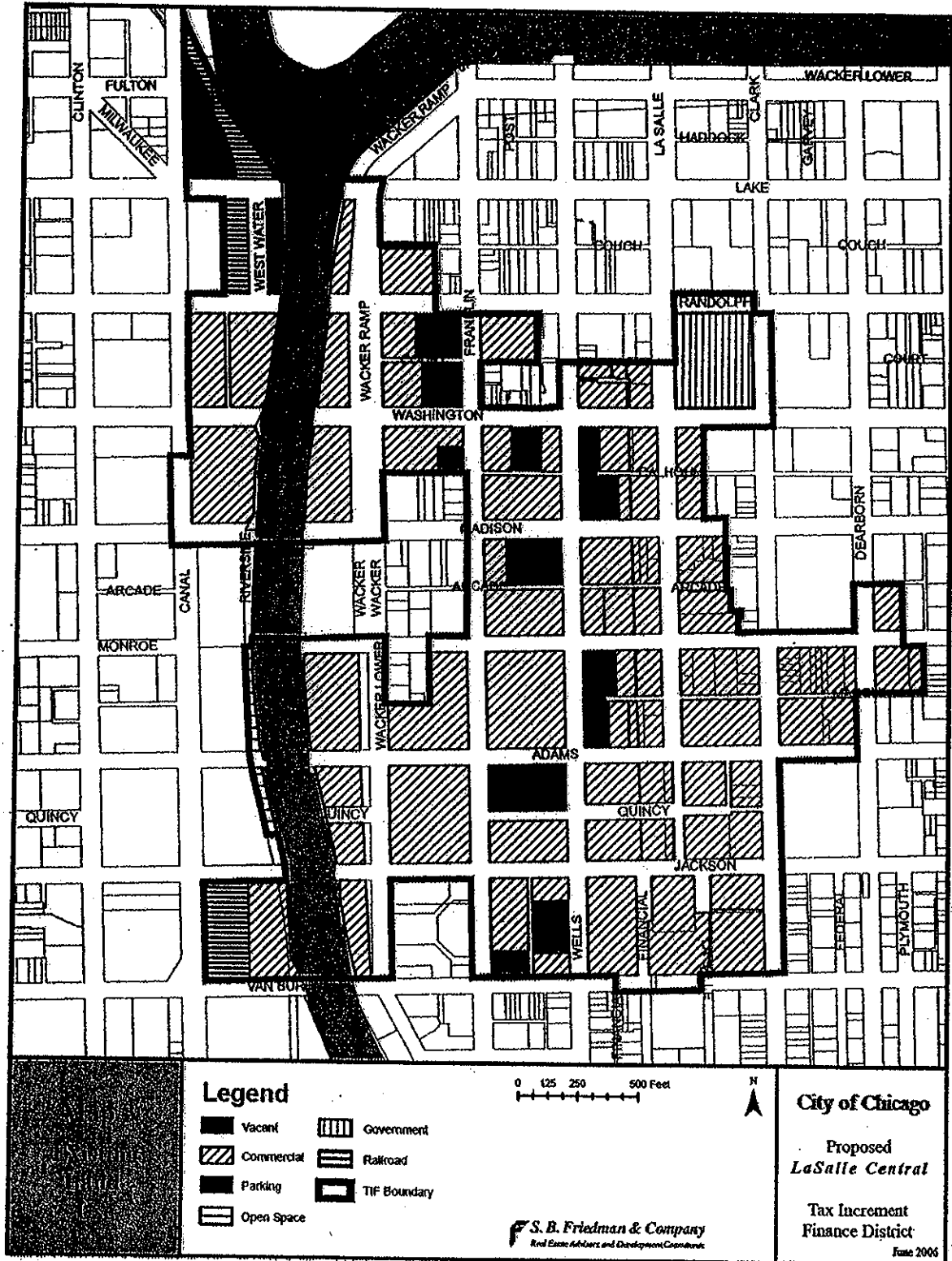
Historically Significant Structures

The portion of the Loop and the Near West Side covered by the proposed LaSalle Central RPA contains many buildings listed on the National Register of Historic Places, a federal landmark designation program. As a group, the historic buildings located within the proposed TIF district are an important concentration of buildings significant to the City's architectural, financial, business, cultural, and governmental history.

To identify architecturally and/or historically significant buildings located within the LaSalle Central RPA, *S. B. Friedman & Company* obtained data from the Chicago Historic Resources Survey (the "CHRS"). The CHRS identifies over 17,000 Chicago properties and contains information on buildings that may possess architectural and/or historical significance. Structures are classified according to a color-based coding system. Designation as "red" indicates that a structure is architecturally or historically significant in the context of the City of Chicago, State of Illinois, or the United States of America; designation as "orange" indicates that a structure is potentially significant in the context of the community in which it is located. Approximately 300 structures were designated as red by CHRS, and 9,600 were designated as orange.

S. B. Friedman & Company found eight buildings within the RPA which were designated as red by CHRS. These buildings, described using their addresses and historic names, are:

- Field Building, 135 S LaSalle Street
- Rookery Building, 209 S LaSalle Street
- Chicago Board of Trade, 141 W Jackson Boulevard
- Brooks Building, 223 W Jackson Boulevard
- City/County Building, 119 W Randolph Street
- Washington Block, 40 N Wells Street
- Civic Opera Building, 20 N Wacker Drive
- Marquette Building, 140 S Dearborn



In addition, *S. B. Friedman & Company* found 32 buildings and structures in the RPA which were designated orange by CHRS. These include:

- Midland Club, 170 W Adams Street
- One North LaSalle, 1 N LaSalle Street
- Foreman National Bank, 30 N LaSalle Street
- Lumber Exchange, 11 S LaSalle Street
- Central YMCA Headquarters, 19 S LaSalle Street
- New York Life Building, 39 S LaSalle Street
- Northern Trust, 50 S LaSalle Street
- State Bank Building, 120 S LaSalle Street
- City National Bank and Trust, 208 S LaSalle Street
- Continental Bank and Trust of Illinois, 231 S LaSalle Street
- Federal Reserve Bank of Chicago, 230 S LaSalle Street
- Insurance Exchange Building, 175 W Jackson Boulevard
- McKintock Building, 201 W Jackson Boulevard
- Clark-Adams Building, 111 W Adams
- Commonwealth Edison Building, 125 S Clark
- Chicago & Northwestern Railroad Building, 226 W Jackson Boulevard
- Madison Square, 123 W Madison Street
- Williams Building, 201 W Monroe Street
- 300 W Adams Street
- Equitable Building, 180 W Washington Street
- Chicago Federation of Musicians, 175 W Washington Street
- Elks Club, 176 W Washington Street
- Telephone Exchange, 301 W Washington Street
- Franklin Exchange Building, 311 W Washington Street
- Butler Building, 101 N Canal Street
- Chicago Daily News Building, 2 N Riverside Plaza
- Quincy/Wells El Station, 220 S Wells Street
- LaSalle/Van Buren El Station, 130 W Van Buren Street
- Lyric Opera Bridge, 10 S Wacker Drive
- Adams Street Bridge, 337 W Adams Street
- Monroe Street Bridge, 380 W Monroe Street
- Jackson Boulevard Bridge, 375 W Jackson Boulevard

S. B. Friedman & Company also identified buildings within the LaSalle Central RPA which have been designated Chicago Landmarks by the Commission on Chicago Landmarks. A total of 217 buildings in the City of Chicago have been individually designated as Chicago Landmarks. The following 10 buildings within the LaSalle Central RPA have been individually designated as Chicago Landmarks:

- Field Building, 135 S. LaSalle St.
- Rookery Building, 209 S. LaSalle St.
- Chicago Board of Trade, 141 W. Jackson Blvd.
- Brooks Building, 223 W. Jackson Blvd.
- City Hall/County Building, 119 W. Randolph St.
- Washington Block, 40 N. Wells St.
- Civic Opera Building, 20 N. Wacker Dr.
- One North LaSalle, 1 N. LaSalle St.
- Inland Steel Building, 30 W Monroe St.
- Marquette Building, 140 S Dearborn St.

3. Eligibility Analysis

Provisions of the Illinois Tax Increment Allocation Redevelopment Act

Based upon the conditions found within the LaSalle Central RPA at the completion of *S. B. Friedman & Company's* research, it has been determined that the LaSalle Central RPA meets the eligibility requirements of the Act as a conservation area. The following text outlines the provisions of the Act to establish eligibility.

Under the Act, two primary avenues exist to establish eligibility for an area to permit the use of tax increment financing for area redevelopment: declaring an area as a "blighted area" and/or a "conservation area."

"Blighted areas" are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals, or welfare of the community, and are substantially impairing the growth of the tax base in the area. "Conservation areas" are those improved areas which are deteriorating and declining and may become blighted if the deterioration is not abated.

The statutory provisions of the Act specify how a district can be designated as a "conservation" and/or "blighted area" district based upon an evidentiary finding of certain eligibility factors listed in the Act. The eligibility factors for each designation are identical for improved property. A separate set of factors exists for the designation of vacant land as a "blighted area." There is no provision for designating vacant land as a conservation area.

Factors for Improved Property

For improved property to constitute a "blighted area," a combination of five or more of the following thirteen eligibility factors listed at 65 ILCS 5/11-74.4-3 (a) and (b) must meaningfully exist and be reasonably distributed throughout the RPA. "Conservation areas" must have a minimum of fifty percent (50%) of the total structures within the area aged 35 years or older, plus a combination of three or more of the 13 eligibility factors which are detrimental to the public safety, health, morals, or welfare and which could result in such an area becoming a blighted area.

Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs,

gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration including but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

Illegal Use of Individual Structures. The use of structures in violation of the applicable Federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

Excessive Vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

Lack of Ventilation, Light or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

Excessive Land Coverage and Overcrowding of Structures and Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

Deleterious Land Use or Layout. The existence of incompatible land use relationships, buildings occupied by inappropriate mixed uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

Environmental Contamination. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or Federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

Lack of Community Planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Factors for Vacant Land

Under the provisions of the "blighted area" section of the Act, for vacant land to constitute a "blighted area," a combination of two or more of the following six factors must be identified as being present to a meaningful extent and reasonably distributed which act in combination to impact the sound growth in tax base for the proposed district.

Obsolete Platting of Vacant Land. Parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

Diversity of Ownership. Diversity of ownership is when adjacent properties are owned by multiple parties. When diversity of ownership of parcels of vacant land is sufficient in number to retard or impede the ability to assemble the land for development, this factor applies.

Tax and Special Assessment Delinquencies. Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five years.

Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land. Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

Environmental Contamination. The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or Federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Additionally, under the "blighted area" section of the Act, eligibility may be established for those vacant areas that would have qualified as a blighted area immediately prior to becoming vacant. Under this test for establishing eligibility, building records may be reviewed to determine that a combination of five or more of the 13 "blighted area" eligibility factors for improved property listed above were present immediately prior to demolition of the area's structures.

The vacant "blighted area" section includes six other tests for establishing eligibility but none of these are relevant to the conditions within the LaSalle Central RPA.

Methodology Overview and Determination of Eligibility

Analysis of eligibility factors was done through research involving an extensive field survey of all property within the LaSalle Central RPA, and a review of building and property records and real estate industry data. Building and property records include building code violation citations, building permit data, assessor information, and information on the age and condition of sewer and water lines within the study area. Our survey of the area established that there are 101 primary structures and 273 tax parcels within the LaSalle Central RPA. Ancillary structures are excluded from this total. Ancillary structures include cashier's buildings for surface parking lots, as well as

a maintenance facility for the Chicago and Northwestern Railroad, located in the northwest portion of the RPA.

The LaSalle Central RPA was examined for qualification factors consistent with either the "blighted area" or "conservation area" requirements of the Act. Based upon these criteria, the property within the LaSalle Central RPA qualifies for designation as a "conservation area" as defined by the Act.

To arrive at this designation, *S. B. Friedman & Company* calculated the number of eligibility factors present, and analyzed the distribution of the eligibility factors on a building-by-building and/or parcel-by-parcel basis and analyzed the distribution of the eligibility factors on a block-by-block basis. When appropriate, we calculated the presence of eligibility factors on infrastructure and ancillary properties associated with the structures. The eligibility factors were correlated to buildings and/or parcels using structure-base maps, property files created from field observations, record searches, and field surveys. This information was then graphically plotted on a parcel map of the LaSalle Central RPA by block to establish the distribution of eligibility factors, and to determine which factors were present to a major extent.

Major factors are used to establish eligibility. These factors are present to a meaningful extent and reasonably distributed throughout the RPA. Minor factors are supporting factors present to a meaningful extent on some of the parcels or on a scattered basis. Their presence suggests that the area is at risk of experiencing more extensive deterioration and disinvestment.

To reasonably arrive at this designation, *S. B. Friedman & Company* documented the existence of qualifying eligibility factors and confirmed that a sufficient number of factors were present within the LaSalle Central RPA and reasonably distributed.

Although it may be concluded under the Act that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of the RPA as a conservation area, this evaluation was made on the basis that the conservation area factors must be present to an extent that indicates that public intervention is appropriate or necessary.

Conservation Area Findings

As required by the Act, within a conservation area, at least fifty percent (50%) of the buildings must be 35 years of age or older, and at least three of the 13 eligibility factors must be found present to a major extent within the LaSalle Central RPA.

Establishing that at least 50 percent of the LaSalle Central RPA buildings are 35 years of age or older is a condition precedent to establishing the area as a conservation area under the Act. Based on information provided by the Cook County Assessor's office, we have established that of the 101 buildings located within the LaSalle Central RPA, 64 (63 percent) are 35 years of age or older.

In addition to establishing that LaSalle Central RPA meets the age requirement, our research has revealed that the following six factors are present to a major extent:

1. Lack of Growth in Equalized Assessed Value (EAV);
2. Inadequate Utilities;
3. Excessive Vacancies;
4. Presence of Structures Below Minimum Code Standards;
5. Deterioration; and
6. Obsolescence.

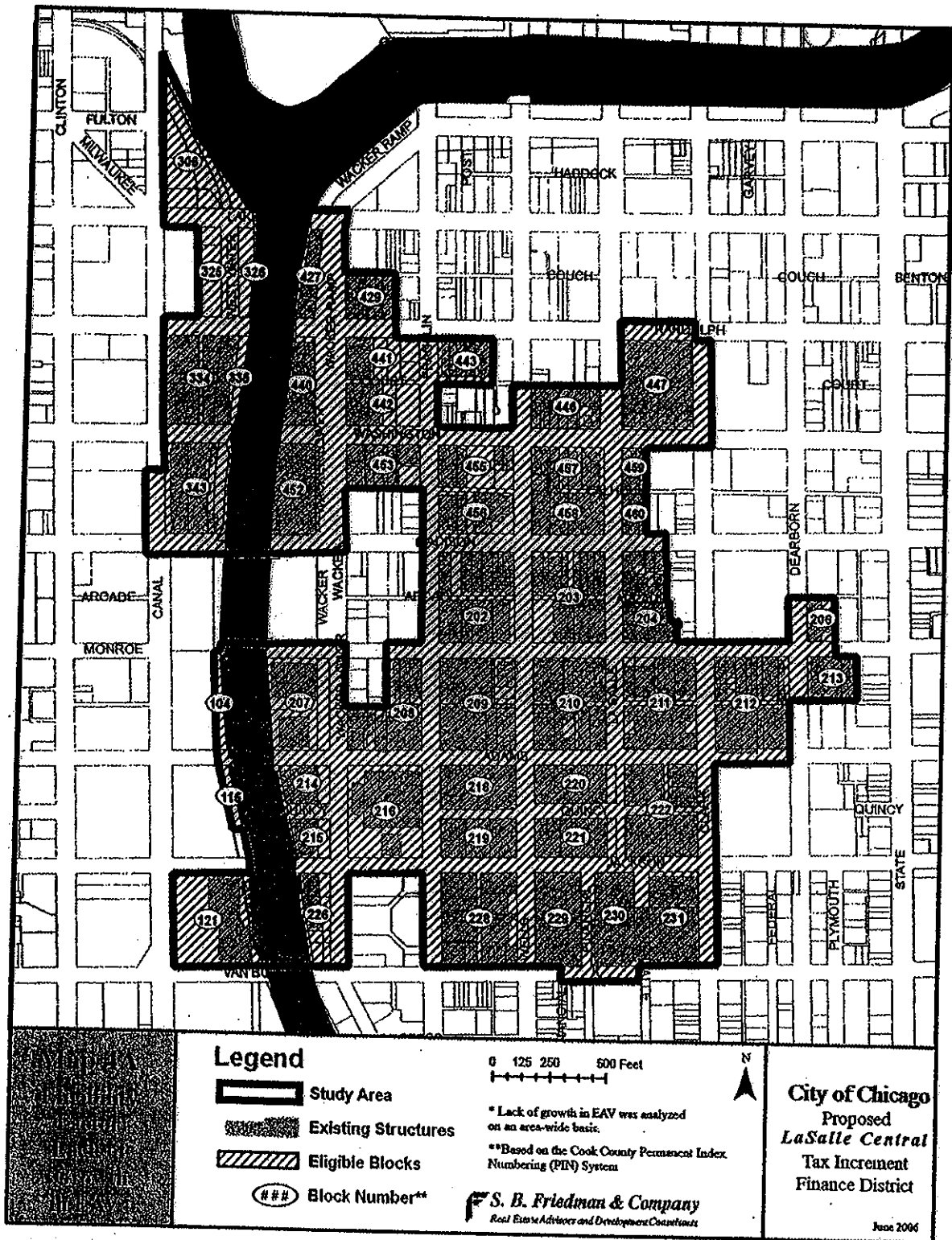
Based on the presence of these factors, the RPA exceeds the minimum requirements of a "conservation area" under the Act.

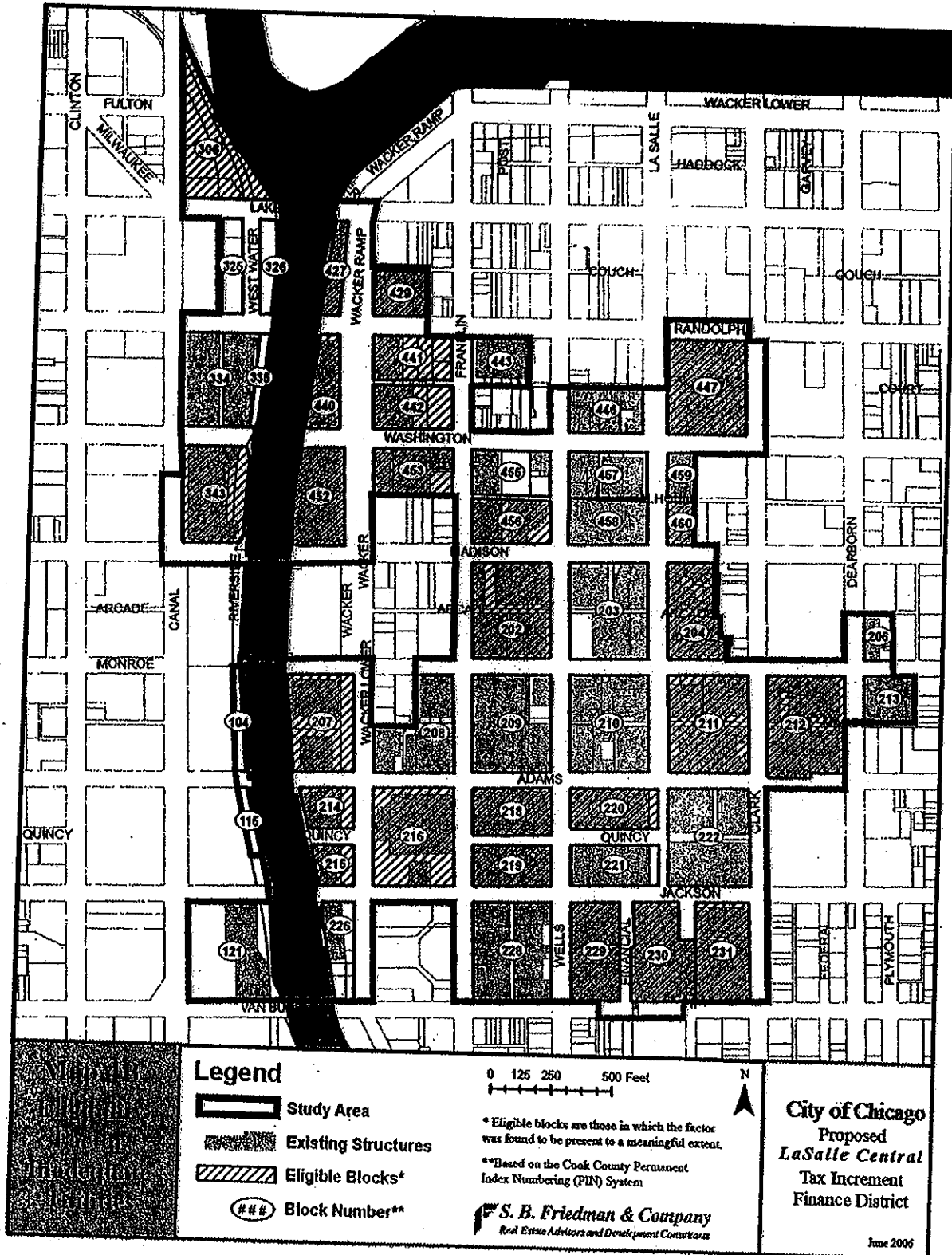
Overall, the growth in equalized assessed value of the RPA has fallen behind that of the balance of the City for four out of the last five years. More than half of the parcels within the RPA are serviced by inadequate utilities, particularly sewer lines which are overdue for repair/replacement. Half of the parcels within the RPA either contain deteriorated buildings, or are served by deteriorated infrastructure, including cracked or crumbling sidewalks, deteriorated alleys and deteriorated roadways; in addition, the entire RPA is at risk due to the deterioration of Wacker Drive, the area's primary arterial road. Furthermore, 33 buildings suffer from excessive vacancies; this constitutes 38 percent of all buildings containing for-lease space. Forty-eight buildings are considered obsolescent, and 45 buildings are below minimum code standards; this constitutes 52 percent and 48 percent, respectively, of all buildings excluding parking garages. The high cost of upgrading these obsolete and non-compliant structures, coupled with the excessive vacancy rate of buildings within the area, increases the likelihood that buildings within the RPA will fall into disrepair or disuse.

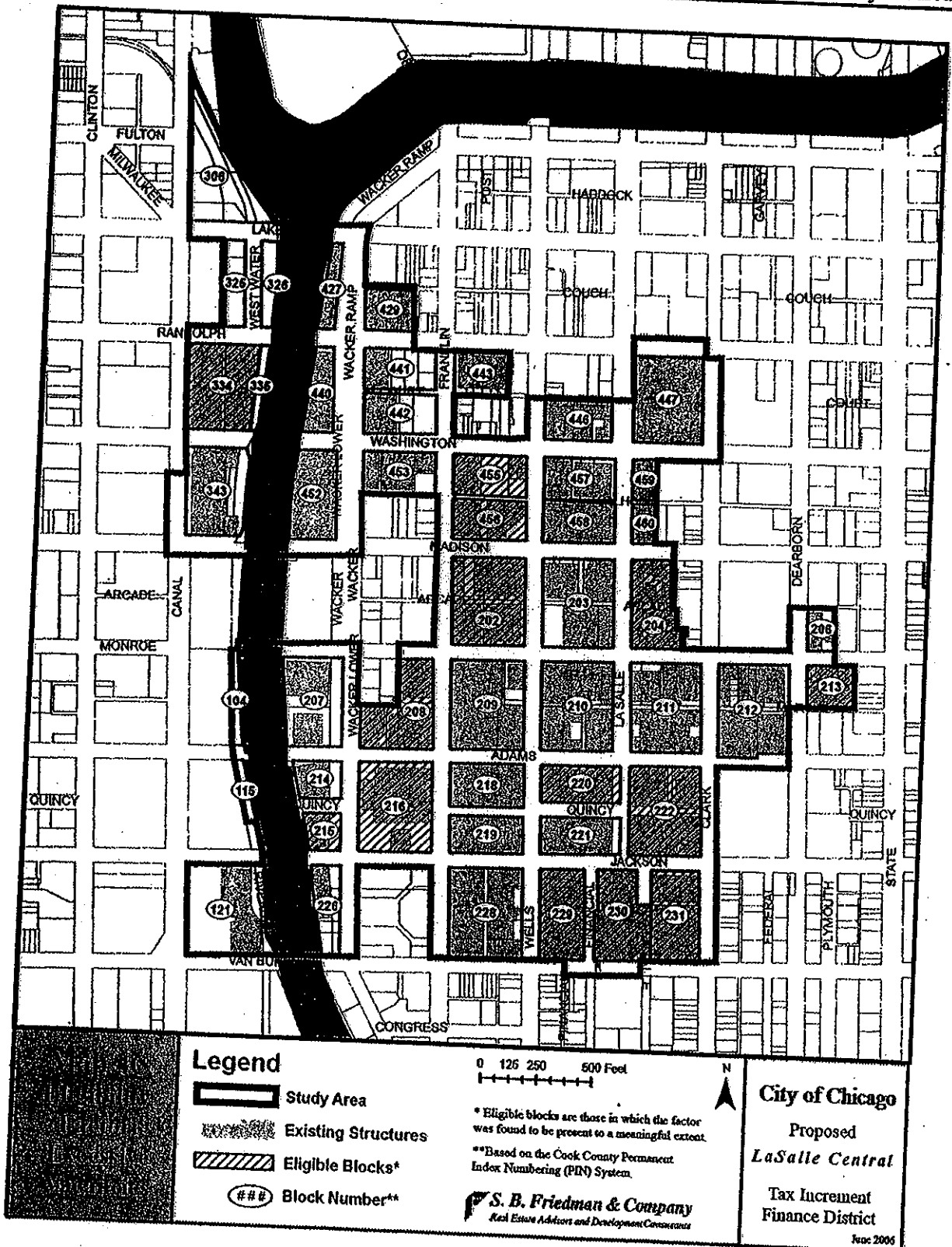
Maps 4A through 4F illustrate the presence and distribution of these eligibility factors on a block-by-block basis within the RPA. The following sections summarize our field research as it pertains to each of the identified eligibility factors found within the LaSalle Central RPA.

1. Lack of Growth in Equalized Assessed Value


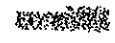
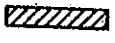

Total Equalized Assessed Value (EAV) is a measure of the value of property within the LaSalle Central RPA. During four of the previous five years, the total growth in EAV of the LaSalle Central RPA has not kept pace with that of the balance of the City of Chicago. This lack of growth in EAV is an indication that the RPA suffers from a lack of private investment as compared to the balance of the City of Chicago.







Legend

-  Study Area
-  Existing Structures
-  Eligible Blocks*
-  Block Number**

0 125 250 500 Feet

* Eligible blocks are those in which the factor was found to be present to a meaningful extent.
 **Based on the Cook County Permanent Index Numbering (PIN) System.

S. B. Friedman & Company
Real Estate Advisors and Development Consultants

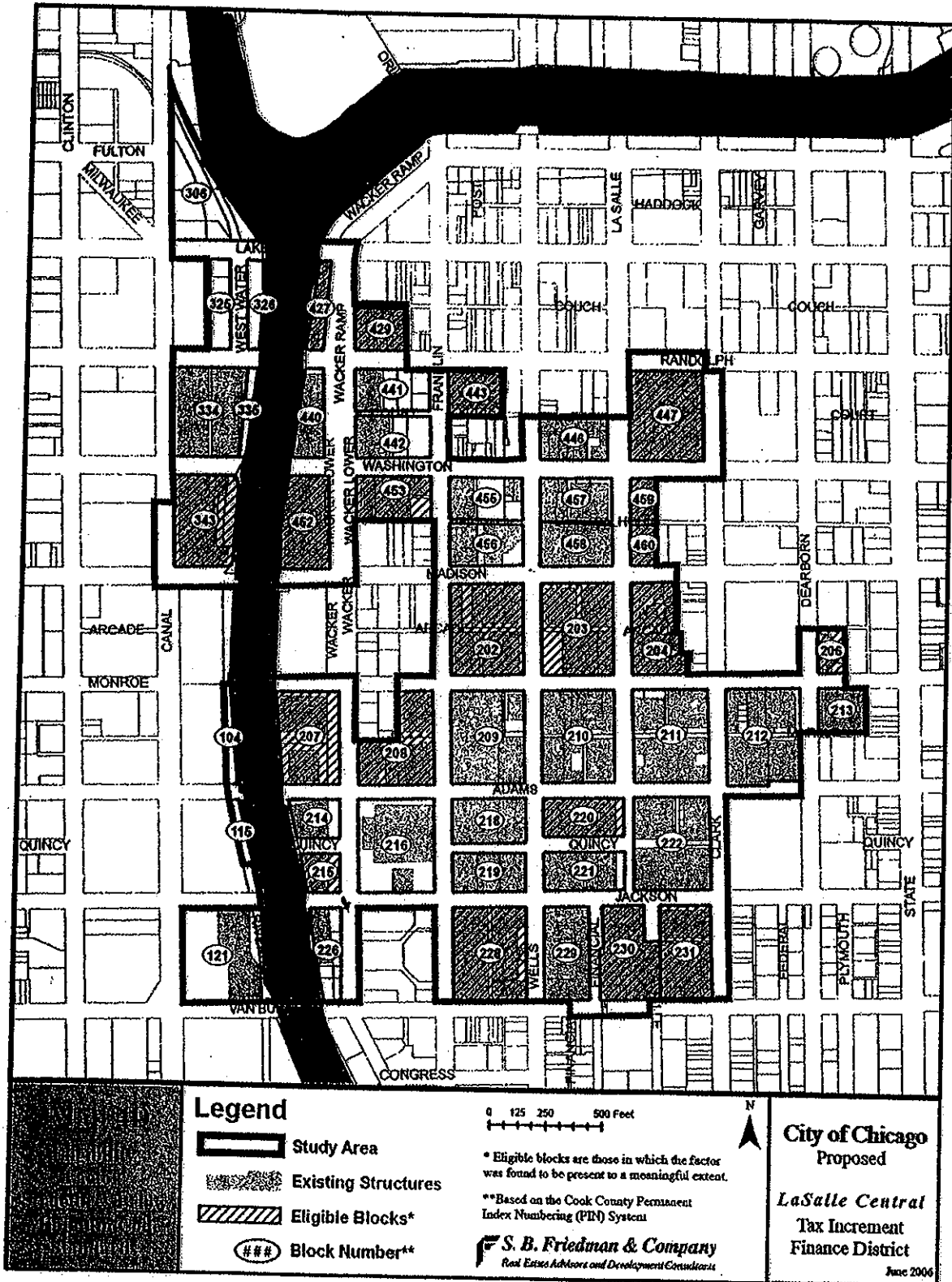


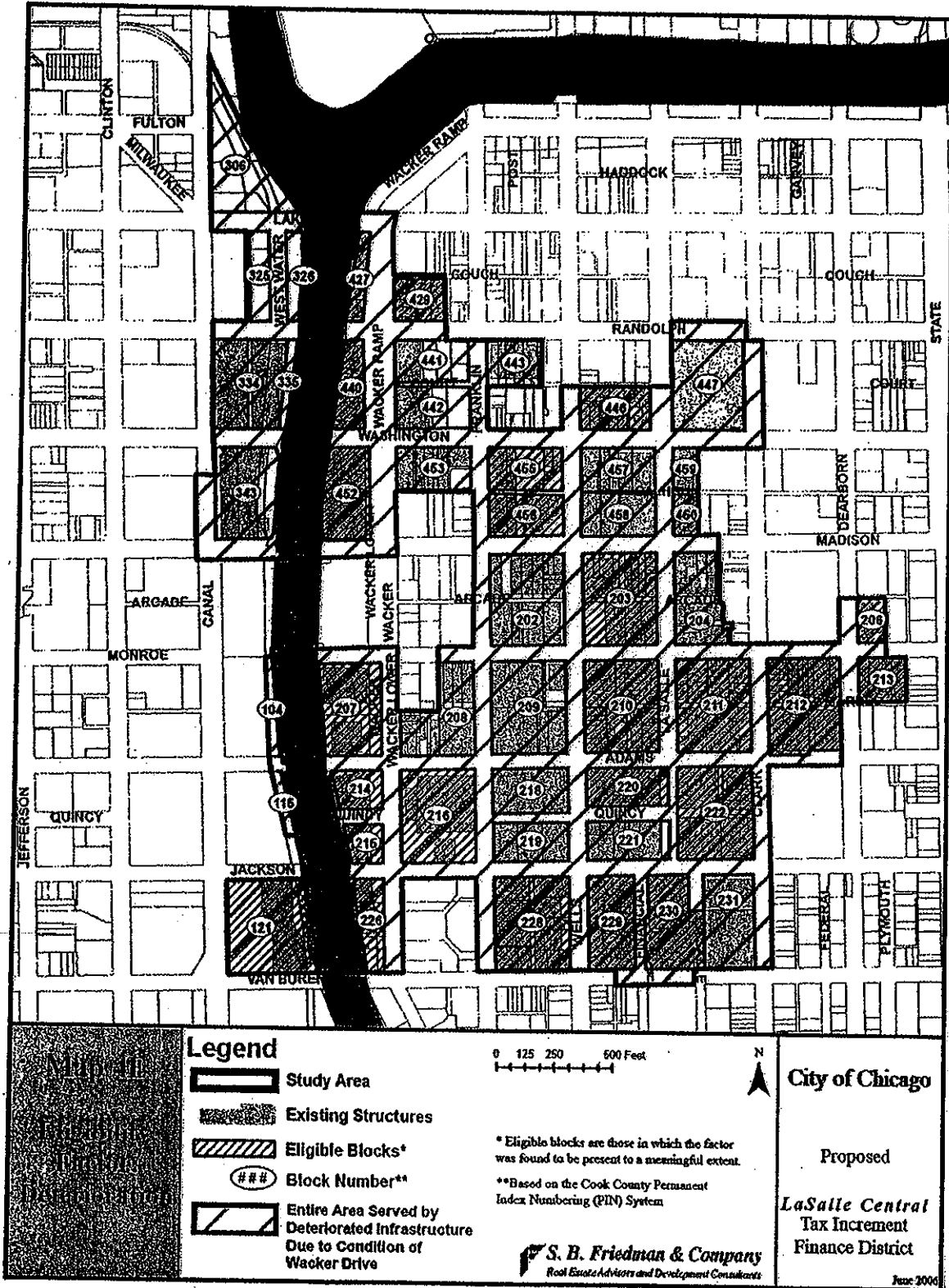
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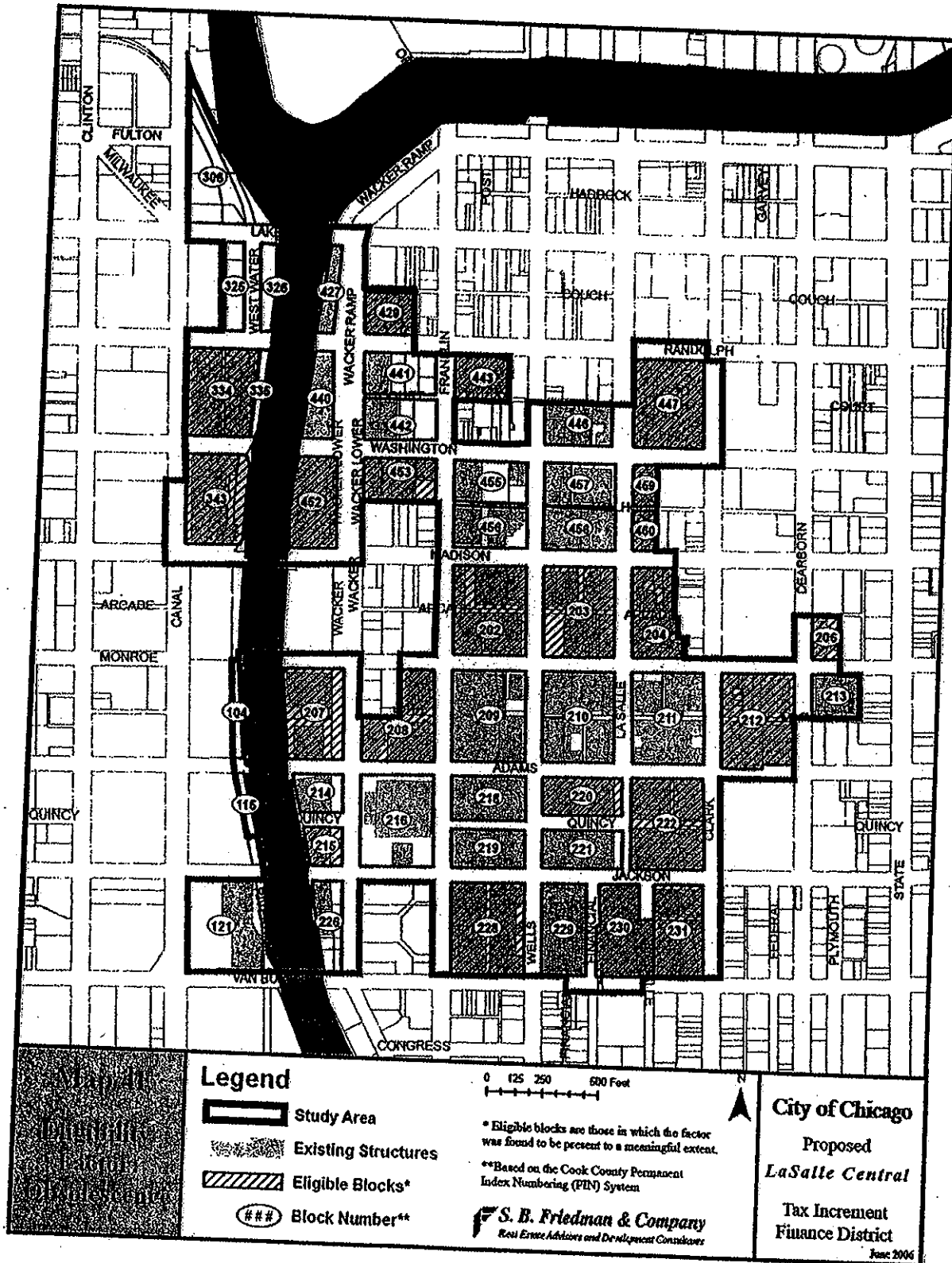


TABLE 1: Percent Change in Annual Equalized Assessed Value (EAV)

	Percent Change in EAV 2000/2001	Percent Change in EAV 2001/2002	Percent Change in EAV 2002/2003	Percent Change in EAV 2004/2005
LaSalle Central RPA	3.24%	5.76%	12.19%	2.75%
City of Chicago (Balance of)	3.75%	8.16%	17.71%	7.65%

2. Inadequate Utilities

A review of the City's water and sewer atlases found that inadequate underground utilities affect 140 (or 51 percent) of the 273 tax parcels in the LaSalle Central RPA. This is due primarily to the number of antiquated sewer lines in the RPA, many of which were installed before the Chicago Fire of 1871. These lines have surpassed their 100-year service lives and are in need of replacement.²

Due to the age and condition of the sewer and water lines, inadequate utilities was found to be present to a meaningful extent on 26 blocks (53 percent) of the 49 blocks within the LaSalle Central RPA.

3. Excessive Vacancies

To evaluate vacancy levels within the LaSalle Central RPA, *S. B. Friedman & Company* utilized several sources of data. Data on vacancy rates was obtained primarily through CoStar, a real estate industry database which tracks rents and vacancy rates for individual buildings in the Chicago CBD. CoStar obtains its data through monthly interviews with the owners, managers and leasing agents of office buildings, and is a widely respected source of information among real estate professionals. In addition, data on historic vacancy rates in the CBD was culled from reports published by Frain Camins & Swartchild, as well as *Black's Guide*, a quarterly publication which tracks available space in various office markets. Finally, data from these publications was supplemented with field observations, which captured small office and retail buildings not covered by CoStar.

During the first quarter of 2006, the Chicago CBD exhibited an overall office vacancy rate of 16.85 percent.³ This is slightly above the average vacancy rate of 15.73 percent for the Chicago CBD office market during the twenty-year period from 1985 to 2005. The LaSalle Central RPA, however, exhibited a vacancy rate of 19.65 percent during the first quarter of 2006. This is nearly three percentage points above the average for the CBD. During the past twenty years, the CBD has

² The City of Chicago Department of Water Management defines the projected service life as 100 years.

³ CoStar, March 2006.

exhibited an overall office market vacancy rate in excess of 19 percent during only three years: 1991, 1992 and 1993.

For the purposes of this study, any building which exhibits a vacancy rate of 19 percent or more is considered to be excessively vacant. Of the 101 buildings in the LaSalle Central RPA, eight are commercial parking structures, and six are occupied by institutional single users, such as the City of Chicago, Cook County and the City Colleges of Chicago. Of the remaining 87 buildings containing for-lease space, 33 buildings (or 38 percent) exhibit excessive vacancies. Moreover, the LaSalle Central RPA contains numerous buildings which are either extremely vacant or have experienced persistent vacancies. The LaSalle Central RPA contains less than one third of the total office space in the CBD, but contains 68 percent of the CBD's extremely vacant large office buildings.⁴ In addition, 14 buildings in the RPA have experienced persistently excessive vacancies (i.e. vacancy rates in excess of 20 percent for five of the previous ten years).

These excessive vacancy rates appear to be linked to the migration of many firms to new office buildings on the periphery of the CBD. Nine of the 33 excessively vacant buildings in the RPA are located along a four-block stretch of South LaSalle Street, producing a concentrated and deleterious impact on the traditional financial district of the City of Chicago. Nine are historically or architecturally significant buildings. Such vacancy levels put these buildings at risk for falling into disrepair. Finally, three of the excessively vacant buildings in the RPA have recently lost major tenants to newer office buildings in the West Loop. This trend is likely to continue, as tenants seek out buildings with more modern amenities and easier access to commuter rail stations.

Overall, of the 42 blocks in the LaSalle Central RPA that contain buildings (excluding blocks with no buildings and blocks containing only parking structures), 14 blocks (or 33 percent) were determined to exhibit excessive vacancies to a meaningful extent.

4. Presence of Structures Below Minimum Code Standards

Structures below minimum code standards are those that do not meet applicable standards of zoning, subdivision, building, fire, and other governmental codes. The principal purpose of such codes is to protect the health and safety of the public. As such, structures below minimum code standards may jeopardize the health and safety of building occupants, pedestrians, or occupants of neighboring structures. These buildings may not be in violation of a particular code; nevertheless those below current development standards may present a health or safety hazard.

With the assistance of the Bureau of Fire Prevention and the Department of Buildings, *S. B. Friedman & Company* reviewed Life Safety Data Sheets and Life Safety Evaluations submitted by owners and managers of properties within the LaSalle Central RPA to determine whether these buildings meet contemporary standards for fire safety, including the provision of sprinklers, smoke detectors, fire-rated partitions, and proper means of egress. Of the 93 buildings within the LaSalle Central RPA (excluding parking garages), it was determined that 41 buildings (or 44 percent) did not meet contemporary standards for fire safety.

⁴ Extremely vacant large office buildings are those containing at least 100,000 rentable square feet and which are more than 30 percent vacant.

In addition, *S. B. Friedman & Company* analyzed data provided by the City's Department of Buildings, and determined that building code violation citations have been issued for fourteen buildings within the LaSalle Central RPA during the previous five years. This constitutes 15 percent of buildings within the RPA. Thirteen of these buildings are more than 35 years of age, and ten are more than 70 years old. This underscores the potential for many older buildings within the RPA to fall into disrepair and disuse.

Overall, 45 buildings within the RPA (48 percent) were found to be below minimum code standards. Structures below minimum code standards were found to be present to a meaningful extent on 20 of the 42 blocks in the RPA which contain occupied buildings (i.e., excluding blocks without buildings and blocks with only parking structures). This constitutes 48 percent of all blocks which contain occupied buildings.

5. Deterioration

Deterioration of public improvements is evident throughout the LaSalle Central RPA. Of particular concern is the deterioration of Wacker Drive. Wacker Drive is a two-level, two-way road which runs along the South and Main branches of the Chicago River. It is the principal thoroughfare within the LaSalle Central RPA, carrying 29,500 vehicles per day on its upper level and 29,000 vehicles per day on its lower level in 1996. It is classified as an Urban Arterial TS-1 by Federal Highway Administration standards. This is defined as a road having "the principal purpose of expediting the movement of traffic by providing mobility for long distances at relatively high speeds." All other streets in the RPA are classified as Collector Streets or Local Streets by FHA standards. As such, Wacker Drive is the principal arterial serving the RPA and its condition impacts the entire area. The thoroughfare serves as the primary connection between the CBD and points south and west, as it provides direct access to Interstates 90, 94, and 290. Moreover, the majority of buildings along Wacker Drive use the lower level of the street for loading and docking, further increasing the importance of the thoroughfare for the commercial viability of the Central Business District.

In 1999, CDOT completed an assessment of conditions on Wacker Drive that found the presence of severe deterioration, including:

- Large areas of map cracking;
- Open cracks with efflorescence;
- Significant delamination of previous shotcrete repairs;
- Spalled and delaminated concrete;
- Exposed and corroded reinforcing steel;
- Extensive chloride infiltration; and
- Loss of structural capacity.

Since 1999, the east-west portion of Wacker Drive has been completely reconstructed to remedy these conditions. However, the north-south section, which serves the LaSalle Central RPA, has not been upgraded to ameliorate the deterioration of the roadway, and this deterioration is visible

throughout its upper and lower levels. Such conditions threaten the continued viability of Wacker Drive and could lead to the eventual closing of portions of the roadway.

In addition, many of the sidewalks and alleys along Wells Street exhibit deterioration due to vibrations caused by the Chicago Transit Authority's elevated trains, as well as the frequent ingress and egress of automobiles from the street's many public parking facilities. The sidewalks surrounding Union Station also exhibit deterioration, including surface cracking, crumbling and depressions, as do elements of the structure built over the train tracks south of Jackson Boulevard. Finally, this factor was given to those buildings where interior and/or exterior deterioration could be documented through surveys or interview.

Overall, 138 parcels within the RPA (51 percent) are either directly served by deteriorated infrastructure (such as alleys, streets, and sidewalks), or contain buildings which exhibit deterioration. The factor is present to meaningful extent on 25 blocks (51 percent) within the study area. In addition, because Wacker Drive is a principal arterial serving the Chicago CBD, the entire district is considered to suffer the impacts of deteriorated infrastructure.

6. Obsolescence

Obsolescence is defined as the condition or process of falling into disuse. Buildings become obsolescent when some feature, such as the building's location, causes the property to be rejected by the market. This market rejection results in increased vacancies, reduced rents and/or diminished building values. Such a weakened market position can inhibit the ability of property owners and managers to invest in their properties, exacerbating the disadvantages of the property, and resulting in further disuse. As such, persistently excessive vacancy levels and/or extremely low rents are an indication that a building is obsolescent. For the purposes of this study, any building which exhibits a vacancy rate of 20 percent or more and which has exhibited vacancy levels of this severity for five of the last ten years is considered to exhibit obsolescence. In addition, any building which commands net rents of less than \$5 per square foot is considered obsolescent; such low rent levels indicate that the building can no longer attract tenants at rents sufficient to finance maintenance and improvements.

Vacancy and rent levels reflect the ability of a property to compete in the marketplace. Often this is linked to the design and configuration of the property. Functional obsolescence exists when the design and/or configuration of a building limits its competitiveness in the marketplace. In the context of the Chicago CBD, functional obsolescence is generally attributable to the changing demands of office users. Many office buildings in the LaSalle Central RPA, for example, were designed before the widespread availability of fluorescent lighting and HVAC systems; as such, they were designed with small floorplates in order to maximize natural light and ventilation. Similarly, many office buildings contain interior load-bearing walls and columns which limit the possible configurations of space by tenants. Mechanical systems in many older buildings, such as elevators or loading facilities, may be insufficient for modern users. In addition, many older buildings in the RPA do not contain modern fire protection systems, which creates a potential hazard and may be a concern for tenants looking to sign or renew leases. Accordingly, any building which does not contain modern fire protection systems, including sprinklers, is

considered obsolescent for the purposes of this study. Obsolescence was also given to buildings where evidence of obsolete building systems could be documented through surveys or interviews.

Of the 93 buildings in the LaSalle Central RPA (excluding parking garages), 48 buildings (52 percent) display obsolescence. Overall, of the 42 blocks in the LaSalle Central RPA that contain buildings (excluding blocks with no buildings and blocks containing only parking structures), 22 blocks (52 percent) were determined to exhibit obsolescence to a meaningful extent.

4. Redevelopment Plan & Project

Redevelopment Needs of the LaSalle Central RPA

The existing land use pattern and conditions in the LaSalle Central RPA suggest three redevelopment needs for the area:

1. Maintaining the competitiveness and viability of older office buildings, and preserving architecturally and historically significant buildings;
2. Expanding open space and improving the public realm; and
3. Attracting and retaining businesses and major employers, particularly corporate headquarters.

The Redevelopment Plan and Project identifies tools the City will use to guide redevelopment in the LaSalle Central RPA to create, promote, and sustain a vibrant mixed use community.

The goals, objectives, and strategies discussed below have been developed to address these needs and to facilitate the sustainable redevelopment of the LaSalle Central RPA. The proposed public improvements outlined in the Redevelopment Plan and Project will help to create an environment conducive to private investment and redevelopment within the LaSalle Central RPA. To support specific projects and encourage future investment in the RPA, public resources, including tax increment financing, may be used to rehabilitate older buildings, improve or repair RPA public facilities and/or infrastructure, and provide streetscape improvements. In addition, tax increment financing may be used to subsidize developer interest costs related to redevelopment projects.

Goals, Objectives, and Strategies

Goals, objectives, and strategies are designed to address the need for redevelopment within the overall framework of the Redevelopment Plan and Project for the use of anticipated tax increment funds generated within the LaSalle Central RPA.

Goal. The overall goal of the Redevelopment Plan is to reduce or eliminate the conditions that qualify the LaSalle Central RPA as a conservation area, and thus to secure the Loop's future as the business and employment center of the Chicago metropolitan region. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate private investment in rehabilitation of existing structures and new development.

Objectives. Thirteen broad objectives support the overall goal of area-wide revitalization of the LaSalle Central RPA. These include:

1. Provide resources for the rehabilitation and modernization of existing structures, particularly historically and architecturally significant buildings;

2. Encourage high-quality commercial and retail development which enhances the architectural character of the area, promotes a lively pedestrian environment, and attracts unique retailers to the area;
3. Promote the RPA as a center of employment and commercial activity, through the attraction and retention of major employers and corporate headquarters, and by providing assistance to small and/or growing businesses;
4. Improve the quality of existing open space and provide additional public open space through streetscaping and provision of new plazas, parks and public gathering spaces;
5. Provide resources for improvements to the Chicago River wall and riverwalk, and promote the recreational use of the River;
6. Promote a pedestrian-friendly environment, particularly along streets designated as Pedestrian and Mobility Streets in the Chicago Zoning Ordinance, and improve connections in the underground pedway system;
7. Improve vehicular circulation throughout the RPA, through improvements to streets, alleys and loading areas;
8. Improve transit and transit stations within the RPA, and advance the development of the Monroe Avenue Transitway;
9. Replace or repair public infrastructure where needed, including streets, sidewalks, curbs, gutters, underground water and sanitary systems, alleys, bridges and viaducts;
10. Encourage environmentally-sensitive development, including development that incorporates green roofs and that achieves LEED certifications;
11. Provide opportunities for women-owned, minority-owned, and locally-owned businesses to share in job opportunities associated with the redevelopment of the LaSalle Central RPA, particularly in the design and construction industries;
12. Support job training and welfare to work programs and increase employment opportunities for City residents; and
13. Provide daycare assistance to support employees of downtown businesses.

Strategies. These objectives will be implemented through five specific and integrated strategies. These include:

1. **Implement Public Improvements.** A series of public improvements throughout the LaSalle Central RPA may be designed and implemented to build upon and improve the character of the area, and to create a more conducive environment for private development.

Public improvements that are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include improvement of new streets, streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with the Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

2. **Encourage Private Sector Activities and Support Rehabilitation of Existing Buildings.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners, to undertake rehabilitation and redevelopment projects and other improvements, in addition to programming such as job training and retraining, that are consistent with the goals of this Redevelopment Plan and Project.

The City may enter into redevelopment agreements or intergovernmental agreements with private or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

The City requires that developers who receive TIF assistance for market-rate housing set aside twenty percent (20 percent) of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than one hundred percent (100 percent) of the area median income, and affordable rental units should be affordable to persons earning no more than sixty percent (60 percent) of the area median income. TIF funds can also be used to pay for up to fifty percent (50 percent) of the cost of construction, or up to seventy five percent (75 percent) of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

3. **Assist Employers Seeking to Relocate or Expand Facilities.** The City may provide assistance to businesses and institutions that are major employers and which seek to relocate to or expand within the LaSalle Central RPA. This assistance may be provided through support of redevelopment and rehabilitation projects in existing buildings, assistance with land acquisition and site preparation for new facilities, or assistance with financing costs.
4. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the LaSalle Central RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.

5. **Facilitate Property Assembly, Demolition, and Site Preparation.** Financial assistance may be provided to private developers seeking to acquire land, and to assemble and prepare sites in order to undertake projects in support of this Redevelopment Plan and Project.

To meet the goals of this Redevelopment Plan and Project, the City may acquire and assemble property throughout the RPA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program or other programs, and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance, or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

These activities are representative of the types of projects contemplated to be undertaken during the life of the LaSalle Central RPA. Market forces are critical to the completion of these projects. Phasing of projects will depend on the interests and resources of both public and private sector parties. Not all projects will necessarily be undertaken. Furthermore, additional projects may be identified throughout the life of the LaSalle Central RPA. To the extent that these projects meet the goals, objectives, and strategies of this Redevelopment Plan and Project and the requirements of the Act and budget outlined in the next section, these projects may be considered for tax increment funding.

Proposed Future Land Use

The proposed future land use of the LaSalle Central RPA reflects the objectives of the Redevelopment Plan and Project, which are to maintain the competitiveness of older office buildings, preserve architecturally and historically significant buildings, expand open space, improve the public realm, attract and retain businesses and major employers, and maintain and improve traffic circulation, public transit, and pedestrian connectivity.

The proposed future land use for the study area is as a Downtown Core mixed-use district, as shown on Map 5. This proposed future land use is consistent with the current zoning of the RPA, which is as a Downtown Core ("DC") district. The proposed future land use within the RPA includes all of the uses that are allowed under DC zoning, including office, commercial, public/institutional, recreational, entertainment and residential, as well as open space. The proposed future land uses shown on Map 5 are the predominant uses by block and are not exclusive of any other uses.

Assessment of Housing Impact

As set forth in the Act, if the redevelopment plan for the redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment plan.

As of June 28, 2006, the RPA contains no occupied residential units. Therefore, a housing impact study is not required, and has not been prepared.

5. Financial Plan

Eligible Costs

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Redevelopment Plan and Project (the "Redevelopment Project Costs.")

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Plan pursuant to the Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan and Project including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
2. The costs of marketing sites within the RPA to prospective businesses, developers and investors;
3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
6. Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the RPA and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Loop and Near West Community Areas with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;

7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
8. To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan and Project;
9. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law, or by Section 74.4-3(n)(7) of the Act;
10. Payment in lieu of taxes as defined in the Act;
11. Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs; (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the RPA; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;
12. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. Such payments in any one year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development project during that year;

- c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - d. The total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of (i) cost paid or incurred by the redeveloper for the redevelopment project; (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act;
 - e. For the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, the percentage of seventy-five percent (75%) shall be substituted for thirty percent (30%) in subparagraphs 12b and 12d above;
13. Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
14. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
15. Instead of the eligible costs provided for in 12b, 12d, and 12e above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act; and
16. The costs of daycare services for children of employees from low-income families working for businesses located within the RPA and all or a portion of the cost of operation of day care centers established by RPA businesses to serve employees from low-income families working in businesses located in the RPA. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed eighty percent (80%) of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

Estimated Redevelopment Project Costs

The estimated eligible costs that are deemed to be necessary to implement this Redevelopment Plan and Project are shown in Table 2. The total eligible cost provides an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Within this limit, adjustments may be made in line items without amendment to this Plan, to the extent permitted by the Act. Additional funding in the form of State, Federal, County, or local grants, private developer contributions and other outside sources may be pursued by the City as a means of financing improvements and facilities which are of benefit to the general community.

TABLE 2: Estimated Redevelopment Project Costs

Eligible Expenses	Estimated Project Costs
Professional Services (including analysis, administration, studies, surveys, legal, marketing, etc.)	\$10,000,000
Property Assembly (including acquisition, site preparation, demolition, and environmental remediation)	\$50,000,000
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements	\$200,000,000
Eligible Construction Costs (Affordable Housing Construction Costs)	\$25,000,000
Relocation Costs	\$30,000,000
Public Works or Improvements (including streets and utilities, parks and open space, public facilities (schools & other public facilities) (1))	\$200,000,000
Job Training, Retraining, Welfare-to-Work	\$10,000,000
Interest Subsidy	\$20,000,000
Day Care Services	\$5,000,000
TOTAL REDEVELOPMENT COSTS (2), (3), (4)	\$550,000,000

(1) This category also may include paying for or reimbursing (i) an elementary, secondary, or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the RPA. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

(2) Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest, costs of issuance, and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

(3) The amount of the Total Redevelopment Project Costs that can be incurred in the RPA will be reduced by the amount of redevelopment project costs incurred in contiguous RPAs, or those separated from the RPA only by a public right-of-way, that are permitted under the Act to be paid, and

are paid, from incremental property taxes generated in the RPA, but will not be reduced by the amount of redevelopment project costs incurred in the RPA which are paid from incremental property taxes generated in contiguous RPAs or those separated from the RPA only by a public right-of-way.

(4) All costs are in 2006 dollars and may be increased by five percent (5%) after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U. S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

Adjustments to the estimated line item costs in Table 2 are anticipated, and may be made by the City without amendment to the Redevelopment Plan and Project to the extent permitted by the Act. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

In the event the Act is amended after the date of the approval of this Redevelopment Plan and Project by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Redevelopment Plan and Project shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan and Project, to the extent permitted by the Act. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item in Table 2, or otherwise adjust the line items in Table 2 without amendment to this Redevelopment Plan and Project, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan and Project.

Phasing and Scheduling of the Redevelopment

Each private project within the LaSalle Central RPA shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the City and approved by the City Council. Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Redevelopment Plan and Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st 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 twenty-third year calendar year following the year in which the ordinance approving this Redevelopment Plan and Project is adopted (by December 31, 2030, if the ordinances establishing the RPA are adopted during 2006).

Sources of Funds to Pay Costs

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations

are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The LaSalle Central RPA is contiguous to or separated by only a public right-of-way from the Central Loop RPA, the River West RPA, the River South RPA, and the Canal/Congress RPA, and may in the future, be contiguous to, or be separated only by a public right-of-way from other redevelopment areas created under the Act. The City may utilize net incremental property taxes received from the LaSalle Central RPA to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the RPA, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the RPA, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

The LaSalle Central RPA may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, *et seq.*). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the RPA, the City may determine that it is in the best interests of the City and the furtherance of the purposes of the Plan that net revenues from the RPA be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the RPA to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the RPA and such areas. The amount of revenue from the RPA so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the RPA or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 2 of this Plan.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended as applicable to add appropriate and parallel language to allow for sharing of revenues between such districts.

Issuance of Obligations

To finance project costs, the City may issue bonds or obligations secured by Incremental Property Taxes generated within the LaSalle Central RPA pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligations bonds. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Eligibility Study and Redevelopment Plan and the Act shall be retired within the time frame described under "Phasing and Scheduling of the Redevelopment" above. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more of a series of obligations may be sold at one or more times in order to implement this Eligibility Study and Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the RPA in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the LaSalle Central RPA is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the LaSalle Central RPA. The 273 tax parcels comprising the RPA have a total estimated EAV of \$4,173,759,000 in the 2005 tax year. The 2005 total EAV amount by PIN is summarized in Appendix 2. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County.

Anticipated Equalized Assessed Valuation

By 2029, the EAV for the LaSalle Central RPA will be approximately \$7.5 billion. This estimate is based on several key assumptions, including: 1) an inflation factor of two-and-one-half percent (2.5 percent) per year on the EAV of all properties within the LaSalle Central RPA, with its cumulative impact occurring in each triennial reassessment year; and 2) an equalization factor of 2.7320 throughout the life of the RPA.

6. Required Findings and Tests

Lack of Growth and Private Investment

In order to assess the rate of private investment in the LaSalle Central RPA, *S. B. Friedman & Company* obtained and analyzed data for all building permits issued within the RPA between 2000 and 2005. This data was provided by the Department of Buildings. In addition, tax assessment data provided by the Cook County Assessor was analyzed for both the RPA and the City of Chicago.

As discussed in the Eligibility Study above, the Equalized Assessed Value (EAV) of the LaSalle Central RPA has not kept pace with that of the balance of the City of Chicago for four of the previous five years. During this time period, the EAV of the RPA grew at a compound annual growth rate of 6.95 percent; this rate of growth is 24 percent lower than the compound annual growth rate for the balance of the City, which was 9.17 percent. This indicates that private investment in the RPA has been low relative to the rest of the City of Chicago.

Private investment within the RPA has also lagged behind the rest of the Chicago CBD. The LaSalle Central RPA has not seen construction of any new office buildings since 1992, and a review of building permit data indicates that no new buildings are currently planned for the area. The remainder of the CBD, on the other hand, has seen substantial private investment in office buildings since 2000. Fourteen major office buildings have been completed in downtown Chicago since 2000, and more than 16 million square feet of office space has been added to the Chicago CBD during this time period. In addition, four major office buildings are currently under construction in the CBD; none of these developments are located within the LaSalle Central RPA.

The total value of building permits issued for the LaSalle Central RPA during this time period was \$366 million.⁵ These permits were primarily for buildout of tenant spaces. This figure constitutes approximately 1.82 percent of the total assessor's market value for the RPA per year.⁶ This rate of investment is very low when compared to the overall value of properties within the RPA. To put this level of investment in perspective, the annual depreciation rate for office properties established by the Internal Revenue Service is approximately 2.56 percent. This suggests that investment in the LaSalle Central RPA is insufficient to keep pace with normal depreciation of property values. Moreover, approximately 38 percent of the value of building activity in the RPA was concentrated in 13 buildings. Private investment in the remaining 88 buildings in the RPA is therefore even further below levels required to maintain property value.

Given the extensive infrastructure needs of the LaSalle Central RPA, as well as the high cost of rehabilitating structures that have become obsolescent or have fallen below current standards for new development, it is unlikely that the LaSalle Central RPA will see substantial private

⁵ This figure excludes permits issued for demolition and for repairs performed by order of the Department of Buildings.

⁶ The assessor's market value for 2005 was approximately \$4.0 billion. This is based on a total assessed value for the RPA of \$1.53 billion. In addition, an assessment-to-value ratio for commercial properties of 38 percent is assumed.

investment without public intervention like that envisioned in this Redevelopment Plan and Project.

Finding: The Redevelopment Project Area (LaSalle Central RPA) on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan and Project.

Conformance to the Plans of the City

The LaSalle Central Redevelopment Plan and Project must conform to the comprehensive plan for the City, conform to the strategic economic development plans, or include land uses that have been approved by the Chicago Plan Commission.

The proposed land uses described in this Redevelopment Plan and Project will be approved by the Chicago Plan Commission prior to its adoption by the City Council.

Dates of Completion

The dates of completion of the project and retirement of obligations are described under "Phasing and Scheduling of the Redevelopment" in Section 5, above.

Financial Impact of the Redevelopment Project

As explained above, without the adoption of this Redevelopment Plan and Project and tax increment financing, the LaSalle Central RPA is not expected to see substantial investment from private enterprise. As a result, there is a genuine threat that property values in the area will stagnate or decline. This would lead to a reduction of real estate tax revenue to all taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. If a redevelopment project is successful, various new projects may be undertaken that will assist in alleviating blighting conditions, creating new jobs, and promoting both public and private development in the LaSalle Central RPA.

This Redevelopment Plan and Project is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when tax increment financing is utilized, real estate tax increment revenues from the increases in EAV over and above the certified initial EAV (established at the time of adoption of this document by the City) may be used to pay eligible redevelopment project costs for the LaSalle Central RPA. At the time when the LaSalle Central RPA is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the LaSalle Central RPA will be distributed to all taxing districts levying taxes against property located in the LaSalle Central RPA. These revenues will then be available for use by the affected taxing districts.

Demand on Taxing District Services and Program to Address Financial and Service Impact

In 1994, the Act was amended to require an assessment of any financial impact of a redevelopment project area on, or any increased demand for service from, any taxing district affected by the redevelopment plan, and a description of any program to address such financial impacts or increased demand.

The City intends to monitor development in the LaSalle Central RPA and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development. The following major taxing districts presently levy taxes on properties located within the LaSalle Central RPA and maintain the listed facilities within the boundaries of the RPA, or within close proximity (three to five blocks) to the RPA boundaries:

1. City of Chicago

- City Hall (121 N LaSalle)

2. Chicago Board of Education

- Jones College Preparatory (606 S State Street)
- Whitney Young High School (211 S Laflin Street)
- Phillips High School (244 E Pershing Road)
- Crane High School (2245 W Jackson Boulevard)
- South Loop Elementary (1212 S Plymouth Court)
- William B Ogden Elementary (24 W Walton Street)
- Brown Elementary (54 N Hermitage Ave)
- Carpenter Elementary (1250 W Erie)
- Skinner Elementary School (111 S Throop Street)

3. Chicago School Finance Authority**4. Chicago Park District**

- Millennium Park
- Grant Park
- Park No. 537
- Dearborn Park
- Pritzker Park

5. City of Chicago Library Fund

- Harold Washington Library Center (400 S State Street)

6. Chicago Community College District 508

- City Colleges of Chicago Administrative Building (226 W Jackson Boulevard)
- Harold Washington College (30 E Lake Street)

7. Metropolitan Water Reclamation District of Greater Chicago

8. County of Cook

- County Building (120 N Clark Street)

9. Cook County Forest Preserve District

Map 6 illustrates the locations of community facilities operated by the above listed taxing districts within or in close proximity to the LaSalle Central RPA. Redevelopment activity may cause increased demand for services from one or more of the above listed taxing districts. The anticipated nature of the increased demand for services on these taxing districts, and the proposed activities to address increased demand, are described below.

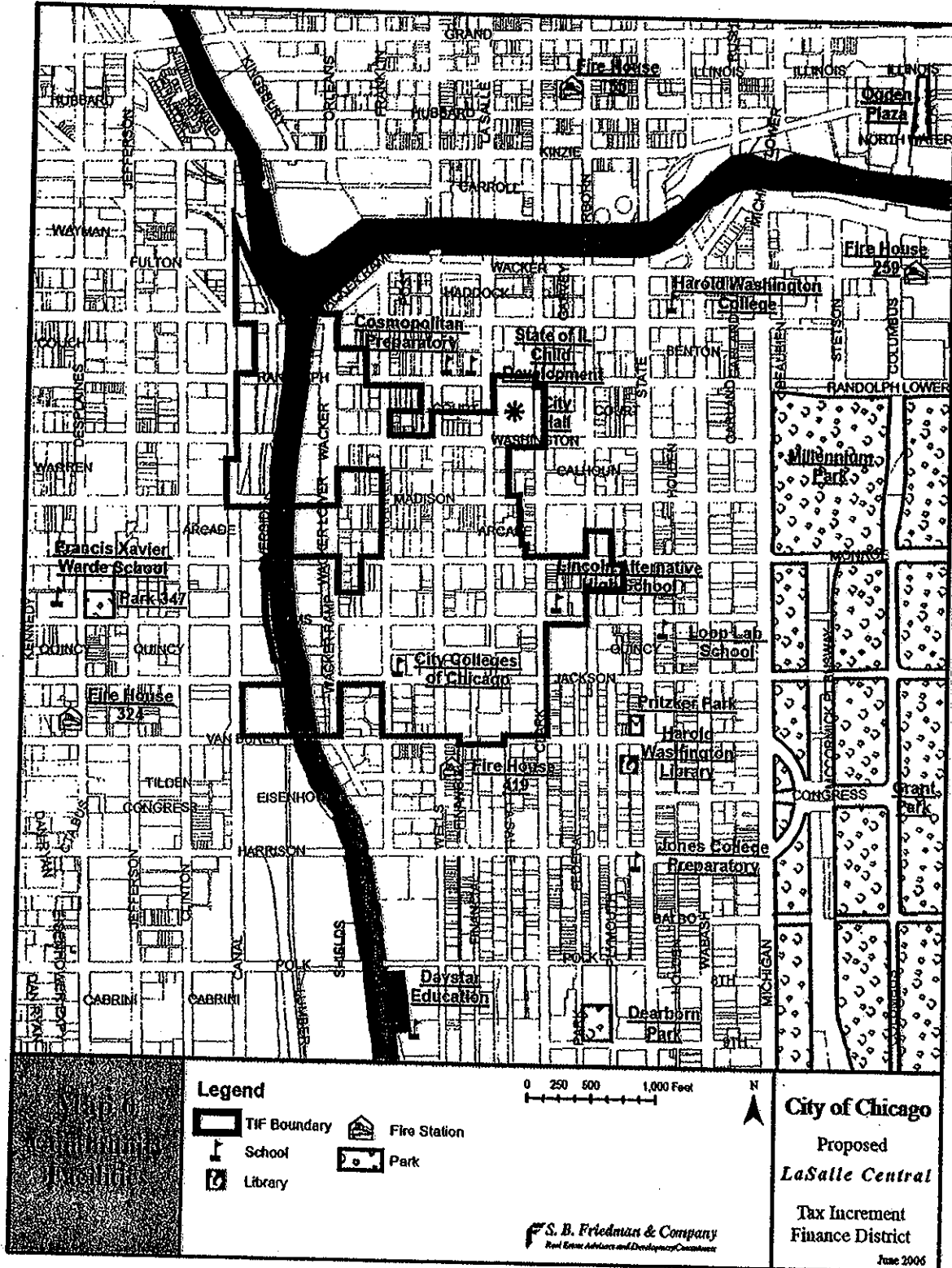
City of Chicago. The City is responsible for a wide range of municipal services including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; and building, housing, and zoning codes. Replacement of vacant and under-utilized sites with active and more intensive uses may result in additional demands on services and facilities provided by the districts. While there are no public service facilities operated by the City within the LaSalle Central RPA, there are several within close proximity to the area. Additional costs to the City for police, fire, and recycling and sanitation services arising from residential development may occur. However, it is expected that any increase in demand for the City services and programs associated with the LaSalle Central RPA can be handled adequately by City police, fire protection, sanitary collection and recycling services, and programs currently maintained and operated by the City. The redevelopment of the LaSalle Central RPA will not require expansion of services in this area.

City of Chicago Library Fund. The Library Fund, supported primarily by property taxes, provides for the operation and maintenance of City of Chicago public libraries. Additional costs to the City for library services arising from residential development may occur. However, it is expected that any increase in demand for City library services and programs associated with the LaSalle Central RPA can be handled adequately by existing City library services. The redevelopment of the LaSalle Central RPA will not require expansion of services in this area.



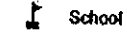

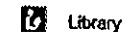
Chicago Board of Education and Associated Agencies. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of education services for kindergarten through twelfth grade.

Currently there are no residential housing units in the LaSalle Central RPA. While unlikely, it is possible that, in the future, residential development may occur within the RPA, and new families may choose to enroll their children in public schools. Any increased costs to the local schools resulting from children residing in TIF-assisted housing units will trigger those provisions within the Act that provide for reimbursement to the affected school district(s) where eligible. The City intends to monitor development in the LaSalle Central RPA and, with the cooperation of the Board of Education, will attempt to ensure that any increased demands for services and capital improvements provided by the Board of Education are addressed in connection with each new residential project.

Chicago Park District. The Chicago Park District is responsible for the provision, maintenance, and operation of park and recreational facilities throughout the City, and for the provision of recreation programs.



Legend

-  TIF Boundary
-  Fire Station
-  School
-  Park
-  Library

0 250 500 1,000 Feet



City of Chicago
 Proposed
LaSalle Central
 Tax Increment
 Finance District
 June 2006

S. B. Friedman & Company
Real Estate Advisors and Development Consultants

It is expected that the households that may be added to the LaSalle Central RPA may generate additional demand for recreational services and programs and may create the need for additional open spaces and recreational facilities operated by the Chicago Park District. The City intends to monitor development in the LaSalle Central RPA and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements that may be provided by the Chicago Park District are addressed in connection with any particular residential development.

Community College District 508. This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

It is expected that any increase in demand for services from Community College District 508 indirectly or directly caused by development within the LaSalle Central RPA can be handled adequately by the district's existing service capacity, programs, and facilities. Therefore, at this time no special programs are proposed for this taxing district. Should demand increase, the City will work with the affected district to determine what, if any, program is necessary to provide adequate services.

Metropolitan Water Reclamation District. This district provides the main trunk lines for the collection of wastewater from Cities, Villages and Towns, and for the treatment and disposal thereof.

It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the LaSalle Central RPA can be handled adequately by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District of Greater Chicago. Therefore, no special program is proposed for the Metropolitan Water Reclamation District of Greater Chicago.

County of Cook. The County has principal responsibility for the protection of persons and property, the provision of public health services, and the maintenance of County highways.

It is expected that any increase in demand for Cook County services can be handled adequately by existing services and programs maintained and operated by the County. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase, the City will work with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration, and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure, and recreation of the public. It is expected that any increase in demand for Forest Preserve services can be handled adequately by existing facilities and programs maintained and operated by the District. No special programs are proposed for the Forest Preserve.

Given the nature of the Redevelopment Plan and Project, specific fiscal impacts on the taxing districts and increases in demand for services provided by those districts cannot be wholly predicted within the scope of this plan.

7. Provisions for Amending Redevelopment Plan and Project

This Redevelopment Plan and Project and Project document may be amended pursuant to the provisions of the Act.

8. Commitment to Fair Employment Practices and Affirmative Action Plan

The City is committed to and will require developers to follow and affirmatively implement the following principles with respect to this Redevelopment Plan and Project. However, the City may implement programs aimed at assisting small businesses, residential property owners, and developers which may not be subject to these requirements.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to this Redevelopment Plan and Project, including, but not limited to, hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, terminations, etc. without regard to race, color, religion, sex, age, disability, national origin, sexual orientation, ancestry, marital status, parental status, military discharge status, source of income or housing status.
- B. Meeting the City's standards for participation of twenty four percent (24%) Minority Business Enterprises and four percent (4%) Women Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C. The commitment to affirmative action and non-discrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D. Meeting City standards for the hiring of City residents to work on redevelopment project construction projects.
- E. Meeting City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

Appendix 1:
Boundary and Legal Description

LASALLE CENTRAL TAX INCREMENT FINANCING (TIF) DISTRICT

THAT PART OF THE SOUTH HALF OF SECTION 9, TOGETHER WITH THAT PART OF THE NORTH HALF OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ALL TAKEN AS A TRACT OF LAND BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF CANAL STREET WITH THE SOUTH LINE OF LAKE STREET IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND RUNNING;

THENCE EAST ALONG SAID SOUTH LINE OF LAKE STREET TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE 18 FOOT WIDE ALLEY EAST OF CANAL STREET;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION OF THE EAST LINE OF THE 18 FOOT WIDE ALLEY EAST OF CANAL STREET AND THE EAST LINE THEREOF TO THE NORTH LINE OF RANDOLPH STREET;

THENCE WEST ALONG SAID NORTH LINE OF RANDOLPH STREET TO THE EAST LINE OF CANAL STREET;

THENCE SOUTH ALONG SAID EAST LINE OF CANAL STREET TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 275.06 FEET OF BLOCK 50 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9;

THENCE WEST ALONG SAID EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 275.06 FEET OF BLOCK 50 IN THE ORIGINAL TOWN OF CHICAGO TO THE WEST LINE OF CANAL STREET;

THENCE SOUTH ALONG SAID WEST LINE OF CANAL STREET TO THE SOUTH LINE OF MADISON STREET;

THENCE EAST ALONG SAID SOUTH LINE OF MADISON STREET TO THE EAST LINE OF WACKER DRIVE;

THENCE NORTH ALONG SAID EAST LINE OF WACKER DRIVE TO THE SOUTH LINE OF CALHOUN PLACE;

THENCE EAST ALONG SAID SOUTH LINE OF CALHOUN PLACE TO THE WEST LINE OF FRANKLIN STREET;

THENCE SOUTH ALONG SAID WEST LINE OF FRANKLIN STREET

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Revised July 6, 2006

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TO THE NORTH LINE OF MONROE STREET;

THENCE WEST ALONG SAID NORTH LINE OF MONROE STREET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 18 FEET OF LOT 2 IN BLOCK 82 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 18 FEET OF LOT 2 IN BLOCK 82 AND THE WEST LINE THEREOF TO THE SOUTH LINE OF SAID LOT 2;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 2 IN BLOCK 82 AND THE WESTERLY EXTENSION THEREOF TO THE EAST LINE OF WACKER DRIVE;

THENCE NORTH ALONG SAID EAST LINE OF WACKER DRIVE TO THE NORTH LINE OF MONROE STREET;

THENCE WEST ALONG SAID NORTH LINE OF MONROE STREET TO THE WEST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER;

THENCE SOUTH ALONG SAID WEST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER TO THE NORTH LINE OF LOT 4 IN RAILROAD COMPANIES' RESUBDIVISION OF BLOCKS 62 TO 76 INCLUSIVE, 78, PARTS OF 61 AND 71, AND CERTAIN VACATED STREETS AND ALLEYS IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE WEST ALONG SAID NORTH LINE OF LOT 4 TO THE WESTERLY LINE THEREOF;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF LOT 4 TO THE SOUTHWESTERLY CORNER THEREOF;

THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE TO THE NORTHWESTERLY CORNER OF LOT 5 IN SAID RAILROAD COMPANIES' RESUBDIVISION IN SECTION 16;

THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF SAID LOT 5 TO AN ANGLE POINT ON SAID WESTERLY LINE;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF LOT 5 TO A POINT ON SAID WESTERLY LINE, SAID POINT LYING 121.21 FEET NORTHWESTERLY OF THE SOUTHWESTERLY CORNER OF LOT 5;

THENCE EAST ALONG A STRAIGHT LINE PARALLEL WITH AND 121.21 NORTH OF THE SOUTH LINE OF SAID LOT 5 TO THE WESTERLY LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER TO THE NORTH LINE OF JACKSON BOULEVARD;

THENCE SOUTH ALONG A STRAIGHT LINE TO THE SOUTH LINE OF JACKSON BOULEVARD;

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THENCE WEST ALONG SAID SOUTH LINE OF JACKSON BOULEVARD TO THE EAST LINE OF CANAL STREET;
THENCE SOUTH ALONG SAID EAST LINE OF CANAL STREET TO THE NORTH LINE OF VAN BUREN STREET;
THENCE EAST ALONG SAID NORTH LINE OF VAN BUREN STREET TO THE EAST LINE OF WACKER DRIVE;
THENCE NORTH ALONG SAID EAST LINE OF WACKER DRIVE TO THE SOUTH LINE OF JACKSON BOULEVARD;
THENCE EAST ALONG SAID SOUTH LINE OF JACKSON BOULEVARD TO THE WEST LINE OF FRANKLIN STREET;
THENCE SOUTH ALONG SAID WEST LINE OF FRANKLIN STREET TO THE NORTH LINE OF VAN BUREN STREET;
THENCE EAST ALONG SAID NORTH LINE OF VAN BUREN STREET TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE 12 FOOT WIDE ALLEY EAST OF WELLS STREET;
THENCE SOUTH ALONG SAID NORTHERLY EXTENSION OF THE EAST LINE OF THE 12 FOOT WIDE ALLEY EAST OF WELLS STREET TO THE SOUTH LINE OF VAN BUREN STREET;
THENCE EAST ALONG SAID SOUTH LINE OF VAN BUREN STREET TO THE WEST LINE OF LASALLE STREET;
THENCE NORTH ALONG THE NORTHERLY EXTENSION OF THE WEST LINE OF LASALLE STREET TO THE NORTH LINE OF VAN BUREN STREET;
THENCE EAST ALONG SAID NORTH LINE OF VAN BUREN STREET TO THE EAST LINE OF CLARK STREET;
THENCE NORTH ALONG SAID EAST LINE OF CLARK STREET TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 IN THE SUBDIVISION OF BLOCK 116 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;
THENCE WEST ALONG SAID EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 AND THE SOUTH LINE THEREOF TO THE EAST LINE OF THE 20 FOOT WIDE ALLEY WEST OF CLARK STREET;
THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY WEST OF CLARK STREET TO THE SOUTH LINE OF ADAMS STREET;
THENCE EAST ALONG SAID SOUTH LINE OF ADAMS STREET TO THE EAST LINE OF CLARK STREET;
THENCE NORTH ALONG SAID EAST LINE OF CLARK STREET TO THE NORTH LINE OF MARBLE PLACE;
THENCE WEST ALONG SAID NORTH LINE OF MARBLE PLACE TO

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THE EAST LINE OF LOT 2 IN BLOCK 117 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE NORTH ALONG SAID EAST LINE OF LOT 2 IN BLOCK 117 TO THE SOUTH LINE OF MONROE STREET;

THENCE EAST ALONG SAID SOUTH LINE OF MONROE STREET TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 21 IN ASSESSOR'S DIVISION OF BLOCK 118 OF SCHOOL SECTION ADDITION IN SECTION 16;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 21 TO THE NORTH LINE OF MONROE STREET;

THENCE NORTH ALONG THE EAST LINE OF SAID LOT 21 AND THE NORTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF LOT 33 IN SAID ASSESSOR'S DIVISION OF BLOCK 118 OF SCHOOL SECTION ADDITION IN SECTION 16;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 33 TO THE WEST LINE THEREOF;

THENCE NORTH ALONG SAID WEST LINE OF LOT 33 TO THE SOUTH LINE OF LOT 14 IN ASSESSOR'S DIVISION OF BLOCK 118 OF SCHOOL SECTION ADDITION IN SECTION 16;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 14 TO THE EAST LINE OF THE 10 FOOT WIDE ALLEY WEST OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF THE 10 FOOT WIDE ALLEY WEST OF CLARK STREET AND THE NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF MADISON STREET;

THENCE WEST ALONG SAID NORTH LINE OF MADISON STREET TO THE EAST LINE OF THE 9 FOOT WIDE ALLEY WEST OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF THE 9 FOOT WIDE ALLEY WEST OF CLARK STREET TO THE SOUTH LINE OF THE 18 FOOT WIDE ALLEY SOUTH OF WASHINGTON STREET;

THENCE NORTH ALONG A STRAIGHT LINE TO THE SOUTHEAST CORNER OF THE PARCEL OF LAND BEARING PIN 17-9-459-001;

THENCE NORTH ALONG THE EAST LINE OF THE PARCEL OF LAND BEARING PIN 17-9-459-001 TO THE SOUTH LINE OF WASHINGTON STREET;

THENCE EAST ALONG SAID SOUTH LINE OF WASHINGTON STREET TO THE EAST LINE OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF CLARK STREET TO THE SOUTH LINE OF RANDOLPH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF RANDOLPH STREET TO THE WEST LINE OF CLARK STREET;

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THENCE NORTH ALONG SAID WEST LINE OF CLARK STREET TO THE NORTH LINE OF RANDOLPH STREET;
THENCE WEST ALONG SAID NORTH LINE OF RANDOLPH STREET TO THE EAST LINE OF LASALLE STREET;
THENCE SOUTH ALONG SAID EAST LINE OF LASALLE STREET TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF COURT PLACE;
THENCE WEST ALONG SAID EASTERLY EXTENSION OF THE SOUTH LINE OF COURT PLACE AND THE SOUTH LINE THEREOF TO THE WEST LINE OF WELLS STREET;
THENCE SOUTH ALONG SAID WEST LINE OF WELLS STREET TO THE NORTH LINE OF WASHINGTON STREET;
THENCE WEST ALONG SAID NORTH LINE OF WASHINGTON STREET TO THE EAST LINE OF FRANKLIN STREET;
THENCE NORTH ALONG SAID EAST LINE OF FRANKLIN STREET TO THE CENTERLINE OF VACATED COURT PLACE;
THENCE EAST ALONG SAID CENTERLINE OF VACATED COURT PLACE TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 2 IN BLOCK 41 IN THE ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST QUARTER OF SECTION 9;
THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 2 IN BLOCK 41 AND THE EAST LINE THEREOF TO THE SOUTH LINE OF RANDOLPH STREET;
THENCE WEST ALONG SAID SOUTH LINE OF RANDOLPH STREET TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 20 FEET OF LOT 7 IN BLOCK 31 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9;
THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 20 FEET OF LOT 7 AND THE WEST LINE THEREOF TO THE SOUTH LINE OF COUCH PLACE;
THENCE NORTH ALONG THE NORTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 20 FEET OF LOT 7 TO THE NORTH LINE OF COUCH PLACE;
THENCE WEST ALONG SAID NORTH LINE OF COUCH PLACE TO THE EAST LINE OF WACKER DRIVE;
THENCE NORTH ALONG SAID EAST LINE OF WACKER DRIVE TO THE SOUTH LINE OF LAKE STREET;
THENCE NORTHEASTERLY ALONG A STRAIGHT LINE TO THE INTERSECTION OF THE NORTH LINE OF LAKE STREET WITH THE EASTERLY LINE OF WACKER DRIVE;
THENCE WEST ALONG SAID NORTH LINE OF LAKE STREET TO

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**THE WESTERLY LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER;
THENCE NORTHWESTERLY ALONG SAID WESTERLY LINE OF THE
NORTH BRANCH OF THE CHICAGO RIVER TO AN ANGLE POINT ON SAID
WESTERLY LINE, SAID POINT BEING ALSO THE NORTHEAST CORNER OF
LOT 1 IN BLOCK 22 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9;
THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1 IN BLOCK
22 TO A POINT, SAID POINT BEING ALSO A POINT ON THE WESTERLY
LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER;
THENCE NORTHWESTERLY ALONG SAID WESTERLY LINE OF THE
NORTH BRANCH OF THE CHICAGO RIVER TO THE NORTH LINE OF THAT
TRACT OF LAND VACATED IN DOCUMENT NUMBER 5507199, RECORDED
OCTOBER 6, 1914;
THENCE WEST ALONG SAID NORTH LINE OF THAT TRACT OF
LAND VACATED IN DOCUMENT NUMBER 5507199, A DISTANCE OF 21. 26
FEET TO A POINT ON SAID NORTH LINE;
THENCE NORTHWESTERLY ALONG THE EASTERLY LINE OF THE
PARCEL OF LAND BEARING PIN 17-9-306-014 TO A POINT OF CURVATURE
ON SAID EASTERLY LINE;
THENCE NORTHWESTERLY ALONG THE ARC OF CURVE, SAID
CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF
600 FEET, TO THE EAST LINE OF CANAL STREET;
THENCE SOUTH ALONG SAID EAST LINE OF CANAL STREET TO
THE SOUTH LINE OF LAKE STREET, BEING ALSO THE POINT OF
BEGINNING OF THE HERETOFORE DESCRIBED TRACT OF LAND, ALL IN
COOK COUNTY, ILLINOIS.**

Order No. 0605013
Ordered By: S. B. Friedman & Company
June 29, 2006
Revised July 6, 2006

Chicago Guarantee Survey Company
601 S. LaSalle St., Suite 400
Chicago, Illinois 60605

*Appendix 2:
Summary of Estimated 2005 EAV (by PIN)*

Summary of 2005 Equalized Assessed Value by Permanent Index Number (PIN)

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
1	17-09-306-012-0000	\$95,471	\$260,827
2	17-09-306-014-0000	EX	EX
3	17-09-306-015-0000	\$25,888	\$70,726
4	17-09-306-016-0000	EX	EX
5	17-09-306-017-0000	\$181,441	\$495,697
6	17-09-306-018-0000	\$1	\$3
7	17-09-306-020-0000	\$495,001	\$1,352,343
8	17-09-325-002-0000	EX	EX
9	17-09-325-003-0000	EX	EX
10	17-09-326-001-0000	\$698,284	\$1,907,712
11	17-09-326-002-0000	EX	EX
12	17-09-334-001-0000	\$14,231,127	\$38,879,439
13	17-09-334-004-6001	EX	EX
14	17-09-334-004-6002	\$21,951,195	\$59,970,665
15	17-09-334-005-0000	\$24,263,721	\$66,288,486
16	17-09-335-002-0000	EX	EX
17	17-09-343-002-0000	EX	EX
18	17-09-343-003-0000	EX	EX
19	17-09-343-005-0000	EX	EX
20	17-09-343-007-0000	\$9,799,998	\$26,773,595
21	17-09-427-001-0000	\$2,164,063	\$5,912,220
22	17-09-427-002-0000	EX	EX
23	17-09-427-003-0000	\$3,334,648	\$9,110,258
24	17-09-427-004-0000	\$4,979,264	\$13,603,349
25	17-09-429-001-0000	\$2,301,725	\$6,288,313
26	17-09-429-002-0000	\$670,303	\$1,831,268
27	17-09-429-003-0000	\$669,709	\$1,829,645
28	17-09-429-004-0000	\$315,219	\$861,178
29	17-09-429-006-0000	\$1,402,070	\$3,830,455
30	17-09-429-015-0000	\$288,222	\$787,423
31	17-09-429-016-0000	\$79,821	\$218,071

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
32	17-09-440-001-0000	\$5,358,000	\$14,638,056
33	17-09-441-001-0000	\$25,249,999	\$68,982,997
34	17-09-441-002-0000	\$829,111	\$2,265,131
35	17-09-441-003-0000	\$829,259	\$2,265,536
36	17-09-441-005-0000	\$611,998	\$1,671,979
37	17-09-441-006-0000	\$488,189	\$1,333,732
38	17-09-442-001-0000	\$24,491,199	\$66,909,956
39	17-09-442-007-0000	\$480,926	\$1,313,890
40	17-09-442-008-0000	\$795,960	\$2,174,563
41	17-09-443-001-0000	\$5,716,852	\$15,618,440
42	17-09-443-002-0000	\$3,680,044	\$10,053,880
43	17-09-443-003-0000	\$4,823,414	\$13,177,567
44	17-09-443-004-0000	\$4,823,414	\$13,177,567
45	17-09-443-005-0000	\$9,106,273	\$24,878,338
46	17-09-446-001-0000	\$914,001	\$2,497,051
47	17-09-446-006-0000	\$445,835	\$1,218,021
48	17-09-446-007-0000	\$939,478	\$2,566,654
49	17-09-446-008-0000	EX	EX
50	17-09-446-009-0000	\$493,776	\$1,348,996
51	17-09-446-011-0000	\$2,480,000	\$6,775,360
52	17-09-446-015-1001	\$25,207	\$68,866
53	17-09-446-015-1002	\$40,326	\$110,171
54	17-09-446-015-1003	\$39,974	\$109,209
55	17-09-446-015-1004	\$74,339	\$203,094
56	17-09-446-015-1005	\$92,729	\$253,336
57	17-09-446-015-1006	\$92,979	\$254,019
58	17-09-446-015-1007	\$93,231	\$254,707
59	17-09-446-015-1008	\$93,481	\$255,390
60	17-09-446-015-1009	\$93,733	\$256,079
61	17-09-446-016-0000	\$16,992,975	\$46,424,808
62	17-09-447-003-8001	EX	EX
63	17-09-447-003-8002	\$1,368	\$3,737
64	17-09-447-003-8003	\$1,986	\$5,426
65	17-09-447-003-8005	\$3,287	\$8,980
66	17-09-447-003-8007	\$8,754	\$23,916
67	17-09-447-003-8008	\$3,351	\$9,155
68	17-09-447-003-8011	\$1,368	\$3,737

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
69	17-09-447-003-8012	\$1,368	\$3,737
70	17-09-447-003-8013	\$3,351	\$9,155
71	17-09-447-003-8015	\$4,104	\$11,212
72	17-09-447-003-8018	\$1,368	\$3,737
73	17-09-447-003-8019	\$1,368	\$3,737
74	17-09-447-003-8021	\$1,368	\$3,737
75	17-09-447-003-8022	\$1,368	\$3,737
76	17-09-447-003-8023	\$3,351	\$9,155
77	17-09-447-003-8024	\$1,368	\$3,737
78	17-09-447-003-8025	\$1,368	\$3,737
79	17-09-447-003-8026	\$1,986	\$5,426
80	17-09-447-003-8028	\$1,368	\$3,737
81	17-09-447-003-8029	\$1,368	\$3,737
82	17-09-447-003-8030	\$1,368	\$3,737
83	17-09-447-003-8039	\$9,690	\$26,473
84	17-09-452-002-0000	EX	EX
85	17-09-452-003-0000	\$19,000,000	\$51,908,000
86	17-09-453-007-0000	\$1,261,213	\$3,445,634
87	17-09-453-008-0000	\$1,222,732	\$3,340,504
88	17-09-453-009-0000	\$611,366	\$1,670,252
89	17-09-453-010-0000	\$1,222,732	\$3,340,504
90	17-09-453-011-0000	\$1,328,358	\$3,629,074
91	17-09-453-012-0000	\$615,330	\$1,681,082
92	17-09-453-013-0000	\$4,132,104	\$11,288,908
93	17-09-455-009-0000	\$7,616,901	\$20,809,374
94	17-09-455-013-0000	\$385,775	\$1,053,937
95	17-09-455-014-0000	\$535,800	\$1,463,806
96	17-09-455-015-0000	\$399,917	\$1,092,573
97	17-09-455-016-0000	\$1,125,972	\$3,076,156
98	17-09-455-017-0000	\$15,470,619	\$42,265,731
99	17-09-456-001-0000	\$18,275,844	\$49,929,606
100	17-09-456-002-0000	\$8,626,809	\$23,568,442
101	17-09-456-003-0000	\$6,485,665	\$17,718,837
102	17-09-456-019-0000	\$25,914,333	\$70,797,958
103	17-09-457-005-0000	\$1,309,555	\$3,577,704
104	17-09-457-006-0000	\$529,206	\$1,445,791
105	17-09-457-007-0000	\$3,808,758	\$10,405,527

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
106	17-09-457-008-0000	\$10,195,074	\$27,852,942
107	17-09-457-009-0000	\$21,347,751	\$58,322,056
108	17-09-457-010-0000	\$2,842,366	\$7,765,344
109	17-09-457-011-0000	\$6,660	\$18,195
110	17-09-458-015-0000	\$24,700,000	\$67,480,400
111	17-09-458-016-0000	\$3,614,350	\$9,874,404
112	17-09-458-017-0000	\$4,393,730	\$12,003,670
113	17-09-459-001-0000	\$12,601,256	\$34,426,631
114	17-09-460-001-0000	\$6,251,147	\$17,078,134
115	17-16-104-008-6001	EX	EX
116	17-16-104-008-6002	\$881,222	\$2,407,499
117	17-16-115-004-6004	\$44,766	\$122,301
118	17-16-121-002-0000	EX	EX
119	17-16-121-003-6001	EX	EX
120	17-16-121-003-6002	\$38,910,171	\$106,302,587
121	17-16-202-001-0000	EX	EX
122	17-16-202-002-0000	EX	EX
123	17-16-202-003-0000	\$1,952,822	\$5,335,110
124	17-16-202-004-0000	\$1,952,822	\$5,335,110
125	17-16-202-005-0000	\$1,952,822	\$5,335,110
126	17-16-202-006-0000	\$476,872	\$1,302,814
127	17-16-202-007-0000	\$476,870	\$1,302,809
128	17-16-202-008-0000	\$806,240	\$2,202,648
129	17-16-202-009-0000	\$97,824	\$267,255
130	17-16-202-010-0000	\$446,564	\$1,220,013
131	17-16-202-011-0000	\$446,564	\$1,220,013
132	17-16-202-012-0000	\$1,180,595	\$3,225,386
133	17-16-202-013-0000	\$6,989,914	\$19,096,445
134	17-16-202-014-0000	\$5,909,764	\$16,145,475
135	17-16-202-020-0000	\$6,589,430	\$18,002,323
136	17-16-202-021-0000	\$6,651,332	\$18,171,439
137	17-16-203-001-0000	\$8,349,280	\$22,810,233
138	17-16-203-002-0000	\$4,748,427	\$12,972,703
139	17-16-203-003-0000	\$10,735,936	\$29,330,577
140	17-16-203-004-0000	\$18,465,017	\$50,446,426
141	17-16-203-005-0000	\$8,954,563	\$24,463,866
142	17-16-203-006-0000	\$8,333,320	\$22,766,630

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
143	17-16-203-007-0000	\$4,268,927	\$11,662,709
144	17-16-203-008-0000	\$7,671,455	\$20,958,415
145	17-16-203-009-0000	\$11,108,828	\$30,349,318
146	17-16-203-010-0000	\$7,473,855	\$20,418,572
147	17-16-203-011-0000	\$7,580,255	\$20,709,257
148	17-16-203-024-0000	\$11,118,169	\$30,374,838
149	17-16-203-025-0000	\$5,984,413	\$16,349,416
150	17-16-204-001-0000	\$5,482,193	\$14,977,351
151	17-16-204-003-0000	\$2,163,786	\$5,911,463
152	17-16-204-005-0000	\$3,509,999	\$9,589,317
153	17-16-204-024-0000	\$3,950,000	\$10,791,400
154	17-16-204-030-0000	\$2,560,772	\$6,996,029
155	17-16-204-031-0000	\$883,500	\$2,413,722
156	17-16-206-017-0000	\$9,256,000	\$25,287,392
157	17-16-207-003-0000	EX	EX
158	17-16-207-004-0000	\$17,954,235	\$49,050,970
159	17-16-207-005-0000	\$16,545,765	\$45,203,030
160	17-16-208-006-0000	\$2,944,193	\$8,043,535
161	17-16-208-007-0000	\$2,944,193	\$8,043,535
162	17-16-208-008-0000	\$3,169,913	\$8,660,202
163	17-16-208-009-0000	\$1,223,661	\$3,343,042
164	17-16-208-010-0000	\$943,395	\$2,577,355
165	17-16-208-011-0000	\$2,115,756	\$5,780,245
166	17-16-208-012-0000	\$5,684,843	\$15,530,991
167	17-16-208-013-0000	\$4,228,918	\$11,553,404
168	17-16-208-014-0000	\$2,888,000	\$7,890,016
169	17-16-208-015-0000	\$3,861,431	\$10,549,429
170	17-16-208-017-0000	\$1,312,453	\$3,585,622
171	17-16-209-005-0000	\$616,310	\$1,683,759
172	17-16-209-006-0000	\$259,190	\$708,107
173	17-16-209-007-0000	\$234,694	\$641,184
174	17-16-209-008-0000	\$56,160,002	\$153,429,125
175	17-16-209-009-0000	\$8,336,357	\$22,774,927
176	17-16-209-010-0000	\$2,233,069	\$6,100,745
177	17-16-209-011-0000	\$13,972,880	\$38,173,908
178	17-16-209-012-0000	\$98,286,449	\$268,518,579
179	17-16-209-013-0000	\$228,553	\$624,407

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
180	17-16-210-007-0000	\$19,586,584	\$53,510,547
181	17-16-210-008-0000	\$320,408	\$875,355
182	17-16-210-009-0000	\$184,668	\$504,513
183	17-16-210-012-0000	\$223,075	\$609,441
184	17-16-210-013-0000	\$503,424	\$1,375,354
185	17-16-210-014-0000	\$9,598,420	\$26,222,883
186	17-16-210-015-0000	\$12,685,384	\$34,656,469
187	17-16-210-016-0000	\$5,496,419	\$15,016,217
188	17-16-210-017-0000	\$9,880,934	\$26,994,712
189	17-16-210-019-0000	EX	EX
190	17-16-210-020-0000	\$696,848	\$1,903,789
191	17-16-210-021-0000	\$3,179,129	\$8,685,380
192	17-16-211-001-0000	\$4,324,041	\$11,813,280
193	17-16-211-002-0000	\$4,092,094	\$11,179,601
194	17-16-211-003-0000	\$13,033,013	\$35,606,192
195	17-16-211-004-0000	\$7,227,474	\$19,745,459
196	17-16-211-007-0000	\$2,217,168	\$6,057,303
197	17-16-211-008-0000	\$2,217,168	\$6,057,303
198	17-16-211-009-0000	\$37,507,202	\$102,469,676
199	17-16-211-010-0000	\$5,739,034	\$15,679,041
200	17-16-212-001-0000	\$916,605	\$2,504,165
201	17-16-212-002-0000	\$527,126	\$1,440,108
202	17-16-212-003-0000	\$527,126	\$1,440,108
203	17-16-212-004-0000	\$527,126	\$1,440,108
204	17-16-212-005-0000	\$527,126	\$1,440,108
205	17-16-212-006-0000	\$1,074,887	\$2,936,591
206	17-16-212-007-0000	\$1,141,651	\$3,118,991
207	17-16-212-008-0000	\$505,832	\$1,381,933
208	17-16-212-009-0000	\$3,692,862	\$10,088,899
209	17-16-212-010-0000	\$3,715,320	\$10,150,254
210	17-16-212-011-0000	\$13,198,380	\$36,057,974
211	17-16-212-012-0000	\$4,193,436	\$11,456,467
212	17-16-212-014-0000	\$499,647	\$1,365,036
213	17-16-212-015-0000	\$4,560,156	\$12,458,346
214	17-16-212-016-0000	EX	EX
215	17-16-212-017-0000	EX	EX
216	17-16-212-018-0000	\$1,220,000	\$3,333,040

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
217	17-16-213-017-8001	EX	EX
218	17-16-213-017-8002	\$7,130,403	\$19,480,261
219	17-16-213-021-0000	\$6,215,652	\$16,981,161
220	17-16-214-002-0000	\$33,105,164	\$90,443,308
221	17-16-214-003-0000	EX	EX
222	17-16-215-002-0000	\$5,038,321	\$13,764,693
223	17-16-215-003-0000	EX	EX
224	17-16-216-009-0000	\$189,999,995	\$519,079,986
225	17-16-218-001-0000	\$9,674,999	\$26,432,097
226	17-16-219-001-0000	EX	EX
227	17-16-219-007-0000	\$15,655,488	\$42,770,793
228	17-16-219-008-0000	\$3,101,271	\$8,472,672
229	17-16-220-001-0000	\$16,720,000	\$45,679,040
230	17-16-220-002-0000	EX	EX
231	17-16-221-001-0000	\$778,080	\$2,125,715
232	17-16-221-002-0000	\$808,410	\$2,208,576
233	17-16-221-003-0000	\$3,586,104	\$9,797,236
234	17-16-221-004-0000	\$2,375,556	\$6,490,019
235	17-16-221-005-0000	\$8,271,300	\$22,597,192
236	17-16-221-006-0000	EX	EX
237	17-16-222-003-0000	\$3,785,875	\$10,343,011
238	17-16-222-004-0000	\$1,914,400	\$5,230,141
239	17-16-222-005-0000	\$1,299,725	\$3,550,849
240	17-16-222-006-0000	\$10,571,243	\$28,880,636
241	17-16-222-009-0000	\$7,017,836	\$19,172,728
242	17-16-222-010-0000	\$16,184,395	\$44,215,767
243	17-16-226-005-0000	\$5,715,091	\$15,613,629
244	17-16-226-006-0000	EX	EX
245	17-16-226-008-0000	EX	EX
246	17-16-226-009-0000	EX	EX
247	17-16-226-011-0000	EX	EX
248	17-16-226-012-0000	\$7,686,218	\$20,998,748
249	17-16-226-013-0000	\$662,811	\$1,810,800
250	17-16-228-001-0000	\$3,253,269	\$8,887,931
251	17-16-228-002-0000	EX	EX
252	17-16-228-003-0000	\$907,924	\$2,480,448
253	17-16-228-004-0000	\$2,845,214	\$7,773,125

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
254	17-16-228-005-0000	\$159,413	\$435,516
255	17-16-228-010-0000	\$3,000,000	\$8,196,000
256	17-16-228-011-0000	\$1,087,120	\$2,970,012
257	17-16-228-012-0000	\$1,790,067	\$4,890,463
258	17-16-228-013-0000	\$791,039	\$2,161,119
259	17-16-228-014-0000	\$601,998	\$1,644,659
260	17-16-228-015-0000	\$588,002	\$1,606,421
261	17-16-228-016-0000	\$1,849,774	\$5,053,583
262	17-16-228-017-0000	\$1,692,922	\$4,625,063
263	17-16-229-001-0000	\$29,549,461	\$80,729,127
264	17-16-229-002-0000	\$27,927,165	\$76,297,015
265	17-16-230-003-0000	\$9,838,961	\$26,880,041
266	17-16-230-004-0000	\$14,134,740	\$38,616,110
267	17-16-231-010-0000	\$11,197,889	\$30,592,633
268	17-16-231-011-0000	\$11,257,500	\$30,755,490
269	17-16-500-017-0000	\$1,412,898	\$3,860,037
270	17-16-500-022-0000	\$2,465,877	\$6,736,776
271	17-16-500-023-0000	EX	EX
272	17-16-500-025-0000	EX	EX
273	17-16-500-031-0000	EX	EX
	TOTAL:	\$1,527,730,358	\$4,173,759,338

Exhibit B

CDC Resolution

(See attached)

**COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO**

RESOLUTION ⁰⁶-CDC-72

**RECOMMENDING TO THE CITY COUNCIL OF
THE CITY OF CHICAGO
FOR THE PROPOSED
LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA:**

**APPROVAL OF THE REDEVELOPMENT PLAN,
DESIGNATION AS A REDEVELOPMENT PROJECT AREA
AND ADOPTION OF TAX INCREMENT ALLOCATION FINANCING**

WHEREAS, the Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council," referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

WHEREAS, the Commission is empowered by the Corporate Authorities to exercise certain powers set forth in Section 5/11-74.4-4(k) of the Act, including the holding of certain public hearings required by the Act; and

WHEREAS, staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations, studies and surveys of the LaSalle Central area, the street boundaries of which are described on Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and previously has presented the following documents to the Commission for its review:

LaSalle Central Redevelopment Project Area Tax Increment Finance District Eligibility Study, Redevelopment Plan and Project (the "Report") and (the "Plan")

WHEREAS, prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.4-6 of the Act; and

WHEREAS, the Report and Plan were made available for public inspection and review since June 30, 2006, being a date not less than 10 days before the Commission meeting at which the Commission adopted Resolution 60-CDC-06 on July 11, 2006 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

WHEREAS, notice of the availability of the Report and Plan, including how to obtain this information, were sent by mail on July 21, 2006, which is within a reasonable time after the adoption by the Commission of Resolution 60-CDC-06 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located outside the proposed Area and within 750 feet of the boundaries of the Area (or, if applicable, were determined to be the 750 residential addresses that were outside the proposed Area and closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, notice of the Hearing by publication was given at least twice, the first publication being on August 18, 2006 a date which is not more than 30 nor less than 10 days prior to the Hearing, and the second publication being on August 25, 2006, both in the Chicago Sun-Times or the Chicago Tribune, being newspapers of general circulation within the taxing districts having property in the Area; and

WHEREAS, notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on August 15, 2006, being a date not less than 10 days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three years; and

WHEREAS, notice of the Hearing was given by mail to the Illinois Department of Commerce and Economic Opportunity ("DCEO") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to DCEO and all Board members, on July 19, 2006, being a date not less than 45 days prior to the date set for the Hearing; and

WHEREAS, notice of the Hearing and copies of the Report and Plan were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on July 19, 2006, being a date not less than 45 days prior to the date set for the Hearing; and

WHEREAS, the Hearing was held on September 12, 2006 at 1:00 p.m. at City Hall, Council Chambers, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

WHEREAS, the Board meeting was convened on August 4, 2006 at 10:00 a.m. (being a date at least 14 days but not more than 28 days after the date of the mailing of the notice to the taxing districts on July 19, 2006) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to review the matters properly coming before the Board to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area, adoption of Tax Increment Allocation Financing within the Area and other matters, if any, properly before it, all in accordance with Section 5/11-74.4-5(b) of the Act; and

WHEREAS, the Commission has reviewed the Report and Plan, considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

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

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.4-3(n) of the Act or such other section as is referenced herein:

a. The Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. The Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole;
OF

- (ii) the Plan either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission;
- c. The Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 5/11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year of the adoption of the ordinance approving the designation of the Area as a redevelopment project area and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than 20 years;
- d. To the extent required by Section 5/11-74.4-3(n) (6) of the Act, the Plan incorporates the housing impact study, if such study is required by Section 5/11-74.4-3(n)(5) of the Act;
- e. The Plan will not result in displacement of residents from inhabited units.
- f. The Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act;
- g. As required pursuant to Section 5/11-74.4-3(p) of the Act:
 - (i) The Area is not less, in the aggregate, than one and one-half acres in size; and
 - (ii) Conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area as defined in the Act;
- h. If the Area is qualified as a "blighted area", whether improved or vacant, each of the factors necessary to qualify the Area as a Redevelopment Project Area on that basis is (i) present, with that presence documented to a meaningful extent so that it may be reasonably found that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part or vacant part, as applicable, of the Area as required pursuant to Section 5/11-74.4-3(a) of the Act;
- i. If the Area is qualified as a "conservation area," the combination of the factors necessary to qualify the Area as a redevelopment project area on that basis is detrimental to the public health, safety, morals or welfare, and the Area may become a blighted area; [and]

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/11-74.4-4 of the Act.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.4-4 of the Act.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution 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 resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED *September 12, 2006*

List of Attachments:

Exhibit A: Street Boundary Description of the Area

Exhibit C

Legal description of the Area

(See attached)

LASALLE CENTRAL TAX INCREMENT FINANCING (TIF) DISTRICT

THAT PART OF THE SOUTH HALF OF SECTION 9, TOGETHER WITH THAT PART OF THE NORTH HALF OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ALL TAKEN AS A TRACT OF LAND BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF CANAL STREET WITH THE SOUTH LINE OF LAKE STREET IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND RUNNING;

THENCE EAST ALONG SAID SOUTH LINE OF LAKE STREET TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE 18 FOOT WIDE ALLEY EAST OF CANAL STREET;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION OF THE EAST LINE OF THE 18 FOOT WIDE ALLEY EAST OF CANAL STREET AND THE EAST LINE THEREOF TO THE NORTH LINE OF RANDOLPH STREET;

THENCE WEST ALONG SAID NORTH LINE OF RANDOLPH STREET TO THE EAST LINE OF CANAL STREET;

THENCE SOUTH ALONG SAID EAST LINE OF CANAL STREET TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 275.06 FEET OF BLOCK 50 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9;

THENCE WEST ALONG SAID EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 275.06 FEET OF BLOCK 50 IN THE ORIGINAL TOWN OF CHICAGO TO THE WEST LINE OF CANAL STREET;

THENCE SOUTH ALONG SAID WEST LINE OF CANAL STREET TO THE SOUTH LINE OF MADISON STREET;

THENCE EAST ALONG SAID SOUTH LINE OF MADISON STREET TO THE EAST LINE OF WACKER DRIVE;

THENCE NORTH ALONG SAID EAST LINE OF WACKER DRIVE TO THE SOUTH LINE OF CALHOUN PLACE;

THENCE EAST ALONG SAID SOUTH LINE OF CALHOUN PLACE TO THE WEST LINE OF FRANKLIN STREET;

THENCE SOUTH ALONG SAID WEST LINE OF FRANKLIN STREET

TO THE NORTH LINE OF MONROE STREET;

THENCE WEST ALONG SAID NORTH LINE OF MONROE STREET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 18 FEET OF LOT 2 IN BLOCK 82 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 18 FEET OF LOT 2 IN BLOCK 82 AND THE WEST LINE THEREOF TO THE SOUTH LINE OF SAID LOT 2;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 2 IN BLOCK 82 AND THE WESTERLY EXTENSION THEREOF TO THE EAST LINE OF WACKER DRIVE;

THENCE NORTH ALONG SAID EAST LINE OF WACKER DRIVE TO THE NORTH LINE OF MONROE STREET;

THENCE WEST ALONG SAID NORTH LINE OF MONROE STREET TO THE WEST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER;

THENCE SOUTH ALONG SAID WEST LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER TO THE NORTH LINE OF LOT 4 IN RAILROAD COMPANIES' RESUBDIVISION OF BLOCKS 62 TO 76 INCLUSIVE, 78, PARTS OF 61 AND 71, AND CERTAIN VACATED STREETS AND ALLEYS IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE WEST ALONG SAID NORTH LINE OF LOT 4 TO THE WESTERLY LINE THEREOF;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF LOT 4 TO THE SOUTHWESTERLY CORNER THEREOF;

THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE TO THE NORTHWESTERLY CORNER OF LOT 5 IN SAID RAILROAD COMPANIES' RESUBDIVISION IN SECTION 16;

THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF SAID LOT 5 TO AN ANGLE POINT ON SAID WESTERLY LINE;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF LOT 5 TO A POINT ON SAID WESTERLY LINE, SAID POINT LYING 121.21 FEET NORTHWESTERLY OF THE SOUTHWESTERLY CORNER OF LOT 5;

THENCE EAST ALONG A STRAIGHT LINE PARALLEL WITH AND 121.21 NORTH OF THE SOUTH LINE OF SAID LOT 5 TO THE WESTERLY LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF THE SOUTH BRANCH OF THE CHICAGO RIVER TO THE NORTH LINE OF JACKSON BOULEVARD;

THENCE SOUTH ALONG A STRAIGHT LINE TO THE SOUTH LINE OF JACKSON BOULEVARD;

THENCE WEST ALONG SAID SOUTH LINE OF JACKSON BOULEVARD TO THE EAST LINE OF CANAL STREET;

THENCE SOUTH ALONG SAID EAST LINE OF CANAL STREET TO THE NORTH LINE OF VAN BUREN STREET;

THENCE EAST ALONG SAID NORTH LINE OF VAN BUREN STREET TO THE EAST LINE OF WACKER DRIVE;

THENCE NORTH ALONG SAID EAST LINE OF WACKER DRIVE TO THE SOUTH LINE OF JACKSON BOULEVARD;

THENCE EAST ALONG SAID SOUTH LINE OF JACKSON BOULEVARD TO THE WEST LINE OF FRANKLIN STREET;

THENCE SOUTH ALONG SAID WEST LINE OF FRANKLIN STREET TO THE NORTH LINE OF VAN BUREN STREET;

THENCE EAST ALONG SAID NORTH LINE OF VAN BUREN STREET TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE 12 FOOT WIDE ALLEY EAST OF WELLS STREET;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION OF THE EAST LINE OF THE 12 FOOT WIDE ALLEY EAST OF WELLS STREET TO THE SOUTH LINE OF VAN BUREN STREET;

THENCE EAST ALONG SAID SOUTH LINE OF VAN BUREN STREET TO THE WEST LINE OF LASALLE STREET;

THENCE NORTH ALONG THE NORTHERLY EXTENSION OF THE WEST LINE OF LASALLE STREET TO THE NORTH LINE OF VAN BUREN STREET;

THENCE EAST ALONG SAID NORTH LINE OF VAN BUREN STREET TO THE EAST LINE OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF CLARK STREET TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 IN THE SUBDIVISION OF BLOCK 116 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE WEST ALONG SAID EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 AND THE SOUTH LINE THEREOF TO THE EAST LINE OF THE 20 FOOT WIDE ALLEY WEST OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY WEST OF CLARK STREET TO THE SOUTH LINE OF ADAMS STREET;

THENCE EAST ALONG SAID SOUTH LINE OF ADAMS STREET TO THE EAST LINE OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF CLARK STREET TO THE NORTH LINE OF MARBLE PLACE;

THENCE WEST ALONG SAID NORTH LINE OF MARBLE PLACE TO

THE EAST LINE OF LOT 2 IN BLOCK 117 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE NORTH ALONG SAID EAST LINE OF LOT 2 IN BLOCK 117 TO THE SOUTH LINE OF MONROE STREET;

THENCE EAST ALONG SAID SOUTH LINE OF MONROE STREET TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 21 IN ASSESSOR'S DIVISION OF BLOCK 118 OF SCHOOL SECTION ADDITION IN SECTION 16;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 21 TO THE NORTH LINE OF MONROE STREET;

THENCE NORTH ALONG THE EAST LINE OF SAID LOT 21 AND THE NORTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF LOT 33 IN SAID ASSESSOR'S DIVISION OF BLOCK 118 OF SCHOOL SECTION ADDITION IN SECTION 16;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 33 TO THE WEST LINE THEREOF;

THENCE NORTH ALONG SAID WEST LINE OF LOT 33 TO THE SOUTH LINE OF LOT 14 IN ASSESSOR'S DIVISION OF BLOCK 118 OF SCHOOL SECTION ADDITION IN SECTION 16;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 14 TO THE EAST LINE OF THE 10 FOOT WIDE ALLEY WEST OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF THE 10 FOOT WIDE ALLEY WEST OF CLARK STREET AND THE NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF MADISON STREET;

THENCE WEST ALONG SAID NORTH LINE OF MADISON STREET TO THE EAST LINE OF THE 9 FOOT WIDE ALLEY WEST OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF THE 9 FOOT WIDE ALLEY WEST OF CLARK STREET TO THE SOUTH LINE OF THE 18 FOOT WIDE ALLEY SOUTH OF WASHINGTON STREET;

THENCE NORTH ALONG A STRAIGHT LINE TO THE SOUTHEAST CORNER OF THE PARCEL OF LAND BEARING PIN 17-9-459-001;

THENCE NORTH ALONG THE EAST LINE OF THE PARCEL OF LAND BEARING PIN 17-9-459-001 TO THE SOUTH LINE OF WASHINGTON STREET;

THENCE EAST ALONG SAID SOUTH LINE OF WASHINGTON STREET TO THE EAST LINE OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF CLARK STREET TO THE SOUTH LINE OF RANDOLPH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF RANDOLPH STREET TO THE WEST LINE OF CLARK STREET;

THENCE NORTH ALONG SAID WEST LINE OF CLARK STREET TO THE NORTH LINE OF RANDOLPH STREET;

THENCE WEST ALONG SAID NORTH LINE OF RANDOLPH STREET TO THE EAST LINE OF LASALLE STREET;

THENCE SOUTH ALONG SAID EAST LINE OF LASALLE STREET TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF COURT PLACE;

THENCE WEST ALONG SAID EASTERLY EXTENSION OF THE SOUTH LINE OF COURT PLACE AND THE SOUTH LINE THEREOF TO THE WEST LINE OF WELLS STREET;

THENCE SOUTH ALONG SAID WEST LINE OF WELLS STREET TO THE NORTH LINE OF WASHINGTON STREET;

THENCE WEST ALONG SAID NORTH LINE OF WASHINGTON STREET TO THE EAST LINE OF FRANKLIN STREET;

THENCE NORTH ALONG SAID EAST LINE OF FRANKLIN STREET TO THE CENTERLINE OF VACATED COURT PLACE;

THENCE EAST ALONG SAID CENTERLINE OF VACATED COURT PLACE TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 2 IN BLOCK 41 IN THE ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST QUARTER OF SECTION 9;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 2 IN BLOCK 41 AND THE EAST LINE THEREOF TO THE SOUTH LINE OF RANDOLPH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF RANDOLPH STREET TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 20 FEET OF LOT 7 IN BLOCK 31 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 20 FEET OF LOT 7 AND THE WEST LINE THEREOF TO THE SOUTH LINE OF COUCH PLACE;

THENCE NORTH ALONG THE NORTHERLY EXTENSION OF THE WEST LINE OF THE EASTERLY 20 FEET OF LOT 7 TO THE NORTH LINE OF COUCH PLACE;

THENCE WEST ALONG SAID NORTH LINE OF COUCH PLACE TO THE EAST LINE OF WACKER DRIVE;

THENCE NORTH ALONG SAID EAST LINE OF WACKER DRIVE TO THE SOUTH LINE OF LAKE STREET;

THENCE NORTHEASTERLY ALONG A STRAIGHT LINE TO THE INTERSECTION OF THE NORTH LINE OF LAKE STREET WITH THE EASTERLY LINE OF WACKER DRIVE;

THENCE WEST ALONG SAID NORTH LINE OF LAKE STREET TO

THE WESTERLY LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER;
THENCE NORTHWESTERLY ALONG SAID WESTERLY LINE OF THE
NORTH BRANCH OF THE CHICAGO RIVER TO AN ANGLE POINT ON SAID
WESTERLY LINE, SAID POINT BEING ALSO THE NORTHEAST CORNER OF
LOT 1 IN BLOCK 22 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9;
THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1 IN BLOCK
22 TO A POINT, SAID POINT BEING ALSO A POINT ON THE WESTERLY
LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER;
THENCE NORTHWESTERLY ALONG SAID WESTERLY LINE OF THE
NORTH BRANCH OF THE CHICAGO RIVER TO THE NORTH LINE OF THAT
TRACT OF LAND VACATED IN DOCUMENT NUMBER 5507199, RECORDED
OCTOBER 6, 1914;
THENCE WEST ALONG SAID NORTH LINE OF THAT TRACT OF
LAND VACATED IN DOCUMENT NUMBER 5507199, A DISTANCE OF 21. 26
FEET TO A POINT ON SAID NORTH LINE;
THENCE NORTHWESTERLY ALONG THE EASTERLY LINE OF THE
PARCEL OF LAND BEARING PIN 17-9-306-014 TO A POINT OF CURVATURE
ON SAID EASTERLY LINE;
THENCE NORTHWESTERLY ALONG THE ARC OF CURVE, SAID
CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF
600 FEET, TO THE EAST LINE OF CANAL STREET;
THENCE SOUTH ALONG SAID EAST LINE OF CANAL STREET TO
THE SOUTH LINE OF LAKE STREET, BEING ALSO THE POINT OF
BEGINNING OF THE HERETOFORE DESCRIBED TRACT OF LAND, ALL IN
COOK COUNTY, ILLINOIS.

Exhibit D

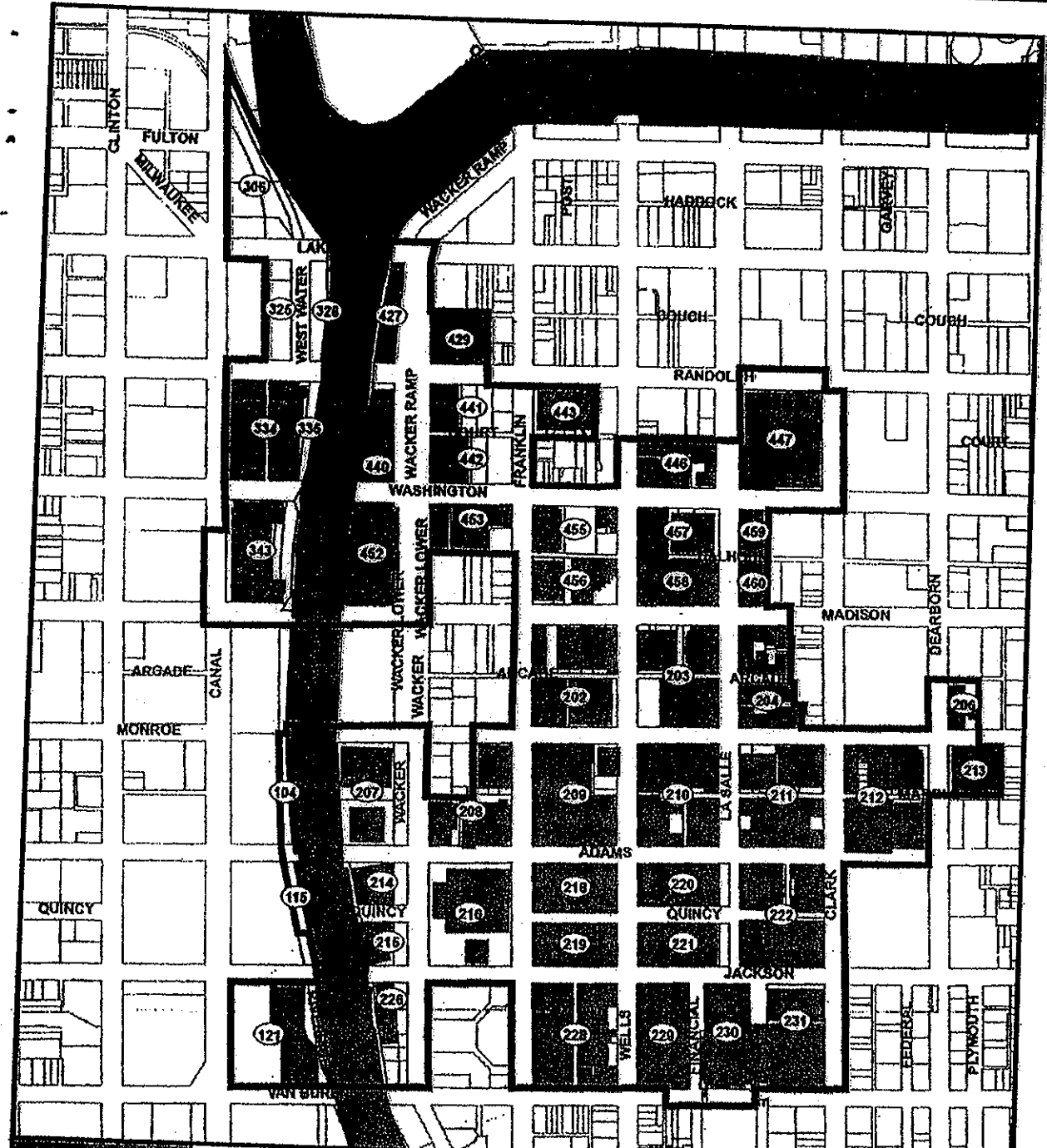
Street location of the Area

The LaSalle Central Redevelopment Project Area is located within the Loop and Near West Side community areas of the City of Chicago and is generally bounded by Dearborn Street on the east, Van Buren Street on the south, the Chicago River and Canal Street on the west, and portions of the Chicago River, Lake, Randolph and Washington Streets on the north.




Exhibit E

Map of the Area


(See attached)



Legend

-  TIF Boundary
-  Existing Structures
-  Block Number*

0 125 250 500 Feet




*Based on the Cook County Permanent Index Numbering (PIN) System

F. S. R. Hudson & Company
 Real Estate Appraisers & Planners

City of Chicago
 Proposed
LaSalle Central
 Tax Increment
 Finance District

June 2006

Document No. P02006- 8016

Document No. 02006- 4891

REFERRED TO COMMITTEE ON	
FINANCE	
NOV - 8 2006	
City Clerk	City of Chicago

PASSED by the City Council of the City of Chicago and deposited in the office of the City Clerk of said City.	
NOV 15 2006	
City Clerk	City of Chicago

APPROVED

Paul F. Weisell
CORPORATION COUNSEL

APPROVED

Richard M. Daley
Mayor
11-27-06

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT D-1

PROJECT BUDGET

A project budget is attached to this exhibit cover sheet.

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA
JMC STEEL GROUP, INC.**

EXHIBIT D-1: PROJECT BUDGET

	<u>Amount</u>	<u>\$ per SF of Building Area*</u>	<u>% of Total Project Costs</u>	<u>Support Reference</u>
Hard Costs				
Direct Costs				
Hoisting/Load/Haul	21,100.00	\$0.73	0.5%	H1
Demolition	77,450.00	\$2.66	1.9%	H2
Rough Carpentry	9,000.00	\$0.31	0.2%	H3
Millwork	375,223.76	\$12.90	9.1%	H4
MEP Coordination	9,240.00	\$0.32	0.2%	H5
Hardware	12,201.00	\$0.42	0.3%	H6
Glass and Glazing	327,712.12	\$11.27	7.9%	H7
Drywall	353,891.90	\$12.17	8.5%	H8
Dimensional Tile	89,052.16	\$3.06	2.2%	H9
Resilient	14,960.00	\$0.51	0.4%	H10
Carpeting	209,178.25	\$7.19	5.1%	H11
Painting and Wallcovering	85,498.17	\$2.94	2.1%	H12
Accessories	3,666.00	\$0.13	0.1%	H13
Audio Visual	60,000.00	\$2.06	1.4%	H14
Appliances	15,472.00	\$0.53	0.4%	H15
Window Treatment	17,740.12	\$0.61	0.4%	H16
Elevators	23,217.57	\$0.80	0.6%	H17
Fire Protection	47,779.63	\$1.64	1.2%	H18
Plumbing	27,829.48	\$0.96	0.7%	H19
HVAC	158,087.39	\$5.44	3.8%	H20
Electrical	605,952.97	\$20.84	14.6%	H21
Security	10,518.00	\$0.36	0.3%	H22
Final Cleaning	85,534.44	\$2.94	2.1%	H23
Total Direct Costs	\$2,640,304.96	\$90.79	63.8%	
Miscellaneous	2,947.08	\$0.10	0.1%	H24
Total Hard Construction	\$2,643,252.04	\$90.90	63.8%	
Fee	25,210.91	\$0.87	0.6%	H25
General Conditions	82,910.00	\$2.85	2.0%	H26
Contingency	9,783.00	\$0.34	0.2%	H27
Owner's Savings	(9,783.00)	-\$0.34	-0.2%	H28
Insurance	23,609.62	\$0.81	0.6%	H29
Permit Costs	13,907.37	\$0.48	0.3%	H30
LEED Costs	16,700.00	\$0.57	0.4%	H31
Total Hard Costs	\$2,805,589.94	\$96.48	67.7%	
Furniture and Fixtures	1,013,842.14	\$34.86	24.5%	F1
Soft Costs				
Architectural & Design Services	\$117,450.00	\$4.04	2.8%	S1
MEP/FB Base Work	\$29,000.00	\$1.00	0.7%	S2
Low Voltage Cable System Design	\$8,500.00	\$0.29	0.2%	S3
Graphics & LEED Consulting	\$25,000.00	\$0.86	0.6%	S4
Other Soft Costs - Moving	\$11,033.64	\$0.38	0.3%	S5
Consulting Fees	\$120,138.30	\$4.13	2.9%	S6
Compliance/Project Management	\$11,050.00	\$0.38	0.3%	S7
Total Soft Costs	\$322,171.94	\$11.08	7.8%	
Total Project Costs	\$4,141,604.02	\$142.42	100.0%	

* Building area = 29,080 square feet

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT D-2

CONSTRUCTION (MBE/WBE) BUDGET

A construction (MBE/WBE) budget is attached to this exhibit cover sheet.

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA
JMC STEEL GROUP, INC.**

EXHIBIT D-2: CONSTRUCTION (MBE/WBE) BUDGET - Hard & Soft Costs

Description	SF Cost	29,080 Cost/SF	MBE	WBE
Hard Costs				
Millwork	\$ 346,723.76	\$ 11.92		\$ 86,264.00
Glass and Glazing	\$ 327,712.12	\$ 11.27	\$ 160,000.00	
Drywall	\$ 353,891.90	\$ 12.17	\$ 54,000.00	\$ 53,000.00
Carpeting	\$ 209,178.25	\$ 7.19		
HVAC	\$ 62,991.00	\$ 2.17	\$ 62,991.00	
Electrical	\$ 235,538.00	\$ 8.10	\$ 235,538.00	
Other Hard Costs	\$ 556,995.65	\$ 19.15	\$ 129,703.00	\$ 6,700.00
Total Hard Costs	\$ 2,093,030.68	\$ 71.97		
Soft Costs				
Architectural & Design Services	\$ 117,450.00	\$ 4.04		
Other Soft Costs	\$ 84,583.64	\$ 2.91		\$ 11,050.00
Total Soft Costs	\$ 202,033.64	\$ 6.95		
Total Hard & Soft Costs	\$ 2,295,064.32	\$ 78.92	\$ 642,232.00	\$ 157,014.00
Total MBE Costs*	\$ 642,232.00			
<i>Percentage of Hard Costs</i>		<i>27.98%</i>		
Total WBE Costs**	\$ 157,014.00			
<i>Percentage of Hard Costs</i>		<i>6.84%</i>		

*MBE requirement based on 24% of Hard Costs.

**WBE requirement based on 4% of Hard Costs.

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT E

SCHEDULE OF TIF-FUNDED IMPROVEMENTS

A schedule of TIF-funded improvements is attached to this exhibit cover sheet.

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA
JMC STEEL GROUP, INC.**

EXHIBIT E: SCHEDULE OF TIF-FUNDED IMPROVEMENTS

	<u>Budget Amount</u>	<u>Eligible Cost</u>	<u>\$ per SF of Building Area*</u>	<u>% of Total Project Costs</u>
Hard Costs				
Direct Costs				
Hoisting/Load/Haul	21,100.00	21,100.00	\$0.73	0.5%
Demolition	77,450.00	77,450.00	\$2.66	1.9%
Rough Carpentry	9,000.00	9,000.00	\$0.31	0.2%
Millwork	375,223.76	375,223.76	\$12.90	9.1%
MEP Coordination	9,240.00	9,240.00	\$0.32	0.2%
Hardware	12,201.00	12,201.00	\$0.42	0.3%
Glass and Glazing	327,712.12	327,712.12	\$11.27	7.9%
Drywall	353,891.90	353,891.90	\$12.17	8.5%
Dimensional Tile	89,052.16	89,052.16	\$3.06	2.2%
Resilient	14,960.00	14,960.00	\$0.51	0.4%
Carpeting	209,178.25	209,178.25	\$7.19	5.1%
Painting and Wallcovering	85,498.17	85,498.17	\$2.94	2.1%
Accessories	3,666.00	3,666.00	\$0.13	0.1%
Audio Visual	60,000.00	60,000.00	\$2.06	1.4%
Appliances	15,472.00	15,472.00	\$0.53	0.4%
Window Treatment	17,740.12	17,740.12	\$0.61	0.4%
Elevators	23,217.57	23,217.57	\$0.80	0.6%
Fire Protection	47,779.63	47,779.63	\$1.64	1.2%
Plumbing	27,829.48	27,829.48	\$0.96	0.7%
HVAC	158,087.39	158,087.39	\$5.44	3.8%
Electrical	605,952.97	605,952.97	\$20.84	14.6%
Security	10,518.00	10,518.00	\$0.36	0.3%
Final Cleaning	85,534.44	85,534.44	\$2.94	2.1%
Total Direct Costs	\$2,640,304.96	\$2,651,354.96	\$90.79	63.8%
Miscellaneous	\$2,947.08	2,947.08	\$0.10	0.1%
Total Hard Construction	\$2,643,252.04	\$2,654,302.04	\$90.90	63.8%
Fee	\$25,210.91	25,210.91	\$0.87	0.6%
General Conditions	\$82,910.00	82,910.00	\$2.85	2.0%
Contingency	\$9,783.00	9,783.00	\$0.34	0.2%
Owner's Savings	-\$9,783.00	(9,783.00)	(\$0.34)	-0.2%
Insurance	\$23,609.62	23,609.62	\$0.81	0.6%
Permit Costs	\$13,907.37	13,907.37	\$0.48	0.3%
LEED Costs	\$16,700.00	16,700.00	\$0.57	0.4%
Total Hard Costs	\$2,805,589.94	\$2,816,640	\$96.48	67.7%
Furniture and Fixtures	\$1,013,842.14	\$1,013,842	\$34.86	24.5%
Soft Costs				
Architectural & Design Services	\$117,450.00	\$117,450	\$4.04	2.8%
MEP/FB Base Work	\$29,000.00	\$29,000	\$1.00	0.7%
Low Voltage Cable System Design	\$8,500.00	\$8,500	\$0.29	0.2%
Graphics & LEED Consulting	\$25,000.00	\$25,000	\$0.86	0.6%
Other Soft Costs - Moving	\$11,033.64	\$11,034	\$0.38	0.3%
Consulting Fees	\$120,138.30	\$120,138	\$4.13	2.9%
Compliance/Project Management	\$11,050.00	11,050.00	\$0.38	0.3%
Total Soft Costs	\$322,171.94	\$311,122	\$10.70	7.8%
Total Project Costs	\$4,141,604.02	\$4,141,604	\$142.42	100.0%

*Building area = 29,080 square feet

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT F

FORM OF LETTER OF CREDIT

A form of letter of credit is attached to this exhibit cover sheet.

Local Bank
Approved by HED
Street Address
Chicago, Illinois Zip
Telephone: _____
Fax: _____

_____, 2013

Our Reference Number: _____

Beneficiary:
City of Chicago
Attn: Commissioner -
Department of Housing and Economic
City Hall, Room 1000
121 N. LaSalle Street
Chicago, IL 60602

Applicant:
JMC Steel Group, Inc.
227 West Monroe Street
26th Floor
Chicago, IL 60606

WE HEREBY ISSUE IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____
IN FAVOR OF CITY OF CHICAGO FOR THE ACCOUNT OF THE APPLICANT UP TO
THE AGGREGATE AMOUNT OF _____ AND 00/100
UNITED STATES DOLLARS (USD _____ .00), EFFECTIVE IMMEDIATELY. THIS
CREDIT IS ISSUED, PRESENTABLE AND PAYABLE AT OUR OFFICES AT LOCAL
BANK, LOCAL STREET, CHICAGO, IL ZIP, ATTN TRADE SERVICES AND EXPIRES AT
4:00 P.M. LOCAL TIME ON _____, 20__.

THE EXPIRY OF THIS CREDIT WILL BE DEEMED TO BE AUTOMATICALLY
EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRY DATE
HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST 60 DAYS PRIOR
TO ANY EXPIRATION DATE WE NOTIFY THE COMMISSIONER OF THE
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT OF THE CITY OF
CHICAGO, AT THE ADDRESS LISTED ABOVE, BY OVERNIGHT DELIVERY SERVICE
OR COURIER THAT WE WILL NOT EXTEND THE EXPIRY OF THIS CREDIT FOR ANY
SUCH ADDITIONAL PERIOD. THIS LETTER OF CREDIT IS ISSUED AS REQUIRED
UNDER THAT CERTAIN REDEVELOPMENT AGREEMENT BY AND BETWEEN
APPLICANT AND BENEFICIARY DATED _____, 2013 AND WILL EXPIRE AS
PROVIDED THEREIN, INCLUDING BUT NOT LIMITED TO SECTION 4.03(b)(iv)(G).

FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO YOU
UNCONDITIONALLY AGAINST YOUR NOTARIZED SIGHT DRAFTS FOR ANY SUM
OR SUMS NOT EXCEEDING A TOTAL OF _____ AND 00/100
UNITED STATES DOLLARS (USD _____ .00) DRAWN ON US MENTIONING THE
CREDIT BY NUMBER AND PURPORTEDLY SIGNED BY THE COMMISSIONER OF THE
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT OF THE CITY OF

CHICAGO OR THE CITY COMPTROLLER OF THE CITY OF CHICAGO (WHETHER ACTING OR ACTUAL). FUNDS DRAWN UNDER THIS CREDIT SHALL BE PAID IN THE FORM OF A CHECK MADE PAYABLE TO "CITY OF CHICAGO" AND SHALL BE SENT BY OVERNIGHT DELIVERY TO THE CITY OF CHICAGO AT THE ADDRESS LISTED ABOVE.

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED.

THIS CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING, AND MAY BE AMENDED ONLY BY A WRITTEN AMENDMENT SIGNED BY US AND BY THE BENEFICIARY.

OUR OBLIGATIONS HEREUNDER ARE PRIMARY OBLIGATIONS TO THE CITY OF CHICAGO. WE HEREBY ENGAGE WITH YOU WE WILL HONOR DRAFTS DRAWN AND PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT.

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING, AND THIS UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED, AMPLIFIED OR LIMITED BY ANY DOCUMENT, INSTRUMENT OR AGREEMENT REFERRED TO HEREIN OR IN WHICH THIS LETTER OF CREDIT IS REFERRED TO, OR TO WHICH THIS LETTER OF CREDIT RELATES; AND, NO SUCH REFERENCE SHALL BE DEEMED TO INCORPORATE HEREIN BY REFERENCE ANY SUCH DOCUMENT, INSTRUMENT OR AGREEMENT.

THIS IS A CLEAN LETTER OF CREDIT AND NO DOCUMENTS EXCEPT FOR SIGHT DRAFTS ARE REQUIRED.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, 1993 REVISION ("UCP") AND TO THE UNIFORM COMMERCIAL CODE - LETTERS OF CREDIT, 810 ILCS 5/5-101 ET SEQ., AS AMENDED, AS IN EFFECT IN THE STATE OF ILLINOIS ("UCC"). TO THE EXTENT THE PROVISIONS OF THE UCP AND THE UCC CONFLICT, THE PROVISIONS OF THE UCC SHALL CONTROL.

LOCAL BANK

By: _____

Name: _____

Title: _____

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT G

CONSTRUCTION CONTRACT

The construction contract for the Project is attached to this exhibit cover sheet.

 **AIA** Document A133™ – 2009

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the First day of August in the year Two Thousand Eleven
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status and address)

Mickey McNamara
JMC Steel Group
3201 Enterprise Parkway, Suite 150
Beachwood, OH 44122
216.910.3700

and the Construction Manager:
(Name, legal status and address)

Skender Interiors Group LLC, Limited Liability Company
200 West Madison
Suite 1300
Chicago, IL
60606

for the following Project:
(Name and address or location)

JMC Steel
227 W. Monroe, 26th Floor

The Architect:
(Name, legal status and address)

Gensler
11 E. Madison
Suite 300
Chicago, IL 60602

The Owner's Designated Representative:
(Name, address and other information)

Andrew MacGregor
200 West Madison
Suite 1300
Chicago, IL
60606

Telephone Number: 312.781.0265
Fax Number: 312.781.0279

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

FILE

File / contract w/ owner

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User Notes:

(1431136823)

The Construction Manager's Designated Representative:
(Name, address and other information)

Andrew MacGregor
200 West Madison
Suite 1300
Chicago, IL
60606

Telephone Number: 312.781.0265
Fax Number: 312.781.0279

Email Address: amacgregor@skender.com

The Architect's Designated Representative:
(Name, address and other information)

Brian Smuts
11 E. Madison
Suite 300
Chicago, IL 60602

The Owner and Construction Manager agree as follows.

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(1431436823)

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- 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES
- 3 OWNER'S RESPONSIBILITIES
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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 2.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 2.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern.

§ 1.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner; to furnish efficient construction administration, management services and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

§ 1.3 General Conditions

For the Preconstruction Phase, AIA Document A201™-2007, General Conditions of the Contract for Construction, shall apply only as specifically provided in this Agreement. For the Construction Phase, the general conditions of the contract shall be as set forth in A201-2007, which document is incorporated herein by reference. The term "Contractor" as used in A201-2007 shall mean the Construction Manager.

ARTICLE 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 2.1 and 2.2. The Construction Manager's Construction Phase responsibilities are set forth in Section 2.3. The Owner and Construction

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User Notes:

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Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 2.1 Preconstruction Phase

§ 2.1.1 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 2.1.2 Consultation

The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work. The Construction Manager shall advise the Owner and the Architect on proposed site use and improvements, selection of materials, and building systems and equipment. The Construction Manager shall also provide recommendations consistent with the Project requirements to the Owner and Architect on constructability; availability of materials and labor; time requirements for procurement, installation and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

§ 2.1.3 When Project requirements in Section 3.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities and identify items that could affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered well in advance of construction; and the occupancy requirements of the Owner.

§ 2.1.4 Phased Construction

The Construction Manager shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, or phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities and procurement and construction scheduling issues.

§ 2.1.5 Preliminary Cost Estimates

§ 2.1.5.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume or similar conceptual estimating techniques for the Architect's review and Owner's approval. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 2.1.5.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, estimates of the Cost of the Work of increasing detail and refinement and allowing for the further development of the design until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. Such estimates shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect when estimates of the Cost of the Work exceed the latest approved Project budget and make recommendations for corrective action.

§ 2.1.6 Subcontractors and Suppliers

The Construction Manager shall develop bidders' interest in the Project.

§ 2.1.7 The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered well in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered well in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 2.1.8 Extent of Responsibility

The Construction Manager shall exercise reasonable care in preparing schedules and estimates. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 2.1.9 Notices and Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi governmental authorities for inclusion in the Contract Documents.

§ 2.2 Guaranteed Maximum Price Proposal and Contract Time

§ 2.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager and in consultation with the Architect, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's review and acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, including contingencies described in Section 2.2.4, and the Construction Manager's Fee.

§ 2.2.2 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Construction Manager shall provide in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

§ 2.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- 1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- 2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 2.2.2, to supplement the information provided by the Owner and contained in the Drawings and Specifications;
- 3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, allowances, contingency, and the Construction Manager's Fee;
- 4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- 5 A date by which the Owner must accept the Guaranteed Maximum Price.

§ 2.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include its contingency for the Construction Manager's exclusive use to cover those costs considered reimbursable as the Cost of the Work but not included in a Change Order.

§ 2.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner and Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 2.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The

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Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 2.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the commencement of the Construction Phase, unless the Owner provides prior written authorization for such costs.

§ 2.2.8 The Owner shall authorize the Architect to provide the revisions to the Drawings and Specifications to incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish those revised Drawings and Specifications to the Construction Manager as they are revised. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the Guaranteed Maximum Price Amendment and the revised Drawings and Specifications.

§ 2.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 2.3 Construction Phase

§ 2.3.1 General

§ 2.3.1.1 For purposes of Section 8.1.2 of A201-2007, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 2.3.1.2 The Construction Phase shall commence upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal or the Owner's issuance of a Notice to Proceed, whichever occurs earlier.

§ 2.3.2 Administration

§ 2.3.2.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or by other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner shall then determine, with the advice of the Construction Manager and the Architect, which bids will be accepted. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 2.3.2.2 If the Guaranteed Maximum Price has been established and when a specific bidder (1) is recommended to the Owner by the Construction Manager, (2) is qualified to perform that portion of the Work, and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Contract Time and the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount and time requirement of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 2.3.2.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If the Subcontract is awarded on a cost-plus a fee basis, the Construction Manager shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Section 6.11 below.

§ 2.3.2.4 If the Construction Manager recommends a specific bidder that may be considered a "related party" according to Section 6.10, then the Construction Manager shall promptly notify the Owner in writing of such relationship and notify the Owner of the specific nature of the contemplated transaction, according to Section 6.10.2.

§ 2.3.2.5 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes to the Owner and Architect.

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§ 2.3.2.6 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and submittal schedule in accordance with Section 3.10 of A201-2007.

§ 2.3.2.7 The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner. The Construction Manager shall also keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 2.3.2.8 The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 2.3.2.7 above.

§ 2.4 Professional Services

Section 3.12.10 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

§ 2.5 Hazardous Materials

Section 10.3 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

ARTICLE 3 OWNER'S RESPONSIBILITIES

§ 3.1 Information and Services Required of the Owner

§ 3.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems sustainability and site requirements.

§ 3.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Construction Manager may only request such evidence if (1) the Owner fails to make payments to the Construction Manager as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum, or (3) the Construction Manager identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Construction Manager and Architect.

§ 3.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1.1, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 3.1.4 Structural and Environmental Tests, Surveys and Reports. During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 3.1.4.1 The Owner shall furnish tests, inspections and reports required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

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§ 3.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 3.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 3.1.4.4 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 3.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201-2007, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 3.2.1 Legal Requirements. The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 3.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B103™-2007, Standard Form of Agreement Between Owner and Architect, including any additional services requested by the Construction Manager that are necessary for the Preconstruction and Construction Phase services under this Agreement. The Owner shall provide the Construction Manager a copy of the executed agreement between the Owner and the Architect, and any further modifications to the agreement.

ARTICLE 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 4.1 Compensation

§ 4.1.1 For the Construction Manager's Preconstruction Phase services, the Owner shall compensate the Construction Manager as follows:

§ 4.1.2 For the Construction Manager's Preconstruction Phase services described in Sections 2.1 and 2.2:
(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

\$3,500 per the Proposal

§ 4.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within five (5) months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 4.1.4 Compensation based on Direct Personnel Expense includes the direct salaries of the Construction Manager's personnel providing Preconstruction Phase services on the Project and the Construction Manager's costs for the mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

§ 4.2 Payments

§ 4.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

§ 4.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.
(Insert rate of monthly or annual interest agreed upon.)

Wall Street Journal Prime Rate +2%

ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 5.1 For the Construction Manager's performance of the Work as described in Section 2.3, the Owner shall pay the Construction Manager the Contract Sum in current funds. The Contract Sum is the Cost of the Work as defined in Section 6.1.1 plus the Construction Manager's Fee.

§ 5.1.1 The Construction Manager's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

0.85%

§ 5.1.2 The method of adjustment of the Construction Manager's Fee for changes in the Work:

0%

§ 5.1.3 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

N/A

§ 5.1.4 Rental rates for Construction Manager-owned equipment shall not exceed N/A percent (N/A %) of the standard rate paid at the place of the Project.

§ 5.1.5 Unit prices, if any:

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)
N/A	N/A	N/A

§ 5.2 Guaranteed Maximum Price

§ 5.2.1 The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, as it is amended from time to time. To the extent the Cost of the Work exceeds the Guaranteed Maximum Price, the Construction Manager shall bear such costs in excess of the Guaranteed Maximum Price without reimbursement or additional compensation from the Owner.

(Insert specific provisions if the Construction Manager is to participate in any savings.)

Per Exhibit A – GMP Proposal / Schedule / Scope Clarifications

§ 5.2.2 The Guaranteed Maximum Price is subject to additions and deductions by Change Order as provided in the Contract Documents and the Date of Substantial Completion shall be subject to adjustment as provided in the Contract Documents.

§ 5.3 Changes in the Work

§ 5.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Architect may make minor changes in the Work as provided in Section 7.4 of AIA Document A201-2007, General Conditions of the Contract for Construction. The Construction Manager shall be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 5.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201-2007, General Conditions of the Contract for Construction.

§ 5.3.3 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of AIA Document A201-2007 and the term "costs" as used in Section 7.3.7 of AIA Document A201-2007 shall have the meanings assigned to them in AIA Document A201-2007 and shall not be modified by Sections 5.1 and 5.2, Sections 6.1 through 6.7, and Section 6.8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 5.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201-2007 shall mean the Cost of the Work as defined in Sections 6.1 to 6.7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 5.1 of this Agreement.

§ 5.3.5 If no specific provision is made in Section 5.1.2 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 5.1.2 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 6.1 Costs to Be Reimbursed

§ 6.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in Sections 6.1 through 6.7.

§ 6.1.2 Where any cost is subject to the Owner's prior approval, the Construction Manager shall obtain this approval prior to incurring the cost. The parties shall endeavor to identify any such costs prior to executing Guaranteed Maximum Price Amendment.

§ 6.2 Labor Costs

§ 6.2.1 Wages of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 6.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site with the Owner's prior approval.

(If it is intended that the wages or salaries of certain personnel stationed at the Construction Manager's principal or other offices shall be included in the Cost of the Work, identify in Section 11.5, the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

§ 6.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 6.2.4 Costs paid or incurred by the Construction Manager for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3.

§ 6.2.5 Bonuses, profit sharing, incentive compensation and any other discretionary payments paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, with the Owner's prior approval.

§ 6.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts.

§ 6.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 6.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 6.4.2 Costs of materials described in the preceding Section 6.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 6.5.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 6.5.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Construction Manager-owned item may not exceed the purchase price of any comparable item. Rates of Construction Manager-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

§ 6.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 6.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ 6.5.5 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ 6.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 6.6 Miscellaneous Costs

§ 6.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract. Self-insurance for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 6.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Construction Manager is liable.

§ 6.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Construction Manager is required by the Contract Documents to pay.

§ 6.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201-2007 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 6.7.3.

§ 6.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs

of legal defenses, judgments and settlements shall not be included in the calculation of the Construction Manager's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section 3.17 of AIA Document A201-2007 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

§ 6.6.6 Costs for electronic equipment and software, directly related to the Work with the Owner's prior approval.

§ 6.6.7 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 6.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.

§ 6.6.9 Subject to the Owner's prior approval, expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work.

§ 6.7 Other Costs and Emergencies

§ 6.7.1 Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

§ 6.7.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.4 of AIA Document A201-2007.

§ 6.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Construction Manager and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 6.7.4 The costs described in Sections 6.1 through 6.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201-2007 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 6.8.

§ 6.8 Costs Not To Be Reimbursed

§ 6.8.1 The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 6.2, or as may be provided in Article 11;
- .2 Expenses of the Construction Manager's principal office and offices other than the site office;
- .3 Overhead and general expenses, except as may be expressly included in Sections 6.1 to 6.7;
- .4 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- .5 Except as provided in Section 6.7.3 of this Agreement, costs due to the negligence or failure of the Construction Manager, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;
- .6 Any cost not specifically and expressly described in Sections 6.1 to 6.7;
- .7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- .8 Costs for services incurred during the Preconstruction Phase.

§ 6.9 Discounts, Rebates and Refunds

§ 6.9.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds and

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amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 6.9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 6.9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.10 Related Party Transactions

§ 6.10.1 For purposes of Section 6.10, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Construction Manager; any entity in which any stockholder in, or management employee of, the Construction Manager owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Construction Manager. The term "related party" includes any member of the immediate family of any person identified above.

§ 6.10.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods or service from the related party, as a Subcontractor, according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3. If the Owner fails to authorize the transaction, the Construction Manager shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3.

§ 6.11 Accounting Records

The Construction Manager shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, purchase orders, vouchers, memoranda and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 7.1 Progress Payments

§ 7.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Construction Manager as provided below and elsewhere in the Contract Documents.

§ 7.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

30th of each month.

§ 7.1.3 Provided that an Application for Payment is received by the Architect not later than the 30th day of a month, the Owner shall make payment of the certified amount to the Construction Manager not later than the 20th day of the next month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than thirty (30) days after the Architect receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 7.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, less that portion of those

payments attributable to the Construction Manager's Fee, plus payrolls for the period covered by the present Application for Payment.

§ 7.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Construction Manager's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 7.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work for which the Construction Manager has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 7.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201-2007;
- .2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 Add the Construction Manager's Fee, less retainage of ten percent (10 %). The Construction Manager's Fee shall be computed upon the Cost of the Work at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 Subtract retainage of ten percent (10 %) from that portion of the Work that the Construction Manager self-performs;
- .5 Subtract the aggregate of previous payments made by the Owner;
- .6 Subtract the shortfall, if any, indicated by the Construction Manager in the documentation required by Section 7.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .7 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007.

§ 7.1.8 The Owner and Construction Manager shall agree upon (1) a mutually acceptable procedure for review and approval of payments to Subcontractors and (2) the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 7.1.9 Except with the Owner's prior approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 7.1.10 In taking action on the Construction Manager's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 7.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections; or that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

§ 7.2 Final Payment

§ 7.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract except for the Construction Manager's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect.

The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

| 30 Days after substantial completion or final invoice.

§ 7.2.2 The Owner's auditors will review and report in writing on the Construction Manager's final accounting within 30 days after delivery of the final accounting to the Architect by the Construction Manager. Based upon such Cost of the Work as the Owner's auditors report to be substantiated by the Construction Manager's final accounting, and provided the other conditions of Section 7.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's auditors, either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201-2007. The time periods stated in this Section supersede those stated in Section 9.4.1 of the AIA Document A201-2007. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 7.2.3 If the Owner's auditors report the Cost of the Work as substantiated by the Construction Manager's final accounting to be less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Section 15.2 of A201-2007. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 7.2.4 If, subsequent to final payment and at the Owner's request, the Construction Manager incurs costs described in Section 6.1.1 and not excluded by Section 6.8 to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager such costs and the Construction Manager's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Construction Manager has participated in savings as provided in Section 5.2.1, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Construction Manager.

ARTICLE 8 INSURANCE AND BONDS

For all phases of the Project, the Construction Manager and the Owner shall purchase and maintain insurance, and the Construction Manager shall provide bonds as set forth in Article 11 of AIA Document A201-2007. (State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)

Type of Insurance or Bond	Limit of Liability or Bond Amount (\$0.00)
Exhibit C - Certificate of Insurance	Exhibit C - Certificate of Insurance

ARTICLE 9 DISPUTE RESOLUTION

§ 9.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 9 and Article 15 of A201-2007. However, for Claims arising from or relating to the Construction Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 9.3 of this Agreement shall not apply.

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§ 9.2 For any Claim subject to, but not resolved by mediation pursuant to Section 15.3 of AIA Document A201-2007, the method of binding dispute resolution shall be as follows:

(Check the appropriate box. If the Owner and Construction Manager do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)

Arbitration pursuant to Section 15.4 of AIA Document A201-2007

Litigation in a court of competent jurisdiction

Other: *(Specify)*

§ 9.3 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2007 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

ARTICLE 10 TERMINATION OR SUSPENSION

§ 10.1 Termination Prior to Establishment of the Guaranteed Maximum Price

§ 10.1.1 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Section 14.1.1 of A201-2007.

§ 10.1.2 In the event of termination of this Agreement pursuant to Section 10.1.1, the Construction Manager shall be equitably compensated for Preconstruction Phase services performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 4.1.

§ 10.1.3 If the Owner terminates the Contract pursuant to Section 10.1.1 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 10.1.2:

1. Take the Cost of the Work incurred by the Construction Manager to the date of termination;
2. Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
3. Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager which the Owner elects to retain and which is not otherwise included in the Cost of the Work under Section 10.1.3.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 10, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction

Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 10.2 Termination Subsequent to Establishing Guaranteed Maximum Price

Following execution of the Guaranteed Maximum Price Amendment and subject to the provisions of Section 10.2.1 and 10.2.2 below, the Contract may be terminated as provided in Article 14 of AIA Document A201-2007.

§ 10.2.1 If the Owner terminates the Contract after execution of the Guaranteed Price Amendment, the amount payable to the Construction Manager pursuant to Sections 14.2 and 14.4 of A201-2007 shall not exceed the amount the Construction Manager would otherwise have received pursuant to Sections 10.1.2 and 10.1.3 of this Agreement.

§ 10.2.2 If the Construction Manager terminates the Contract after execution of the Guaranteed Maximum Price Amendment, the amount payable to the Construction Manager under Section 14.1.3 of A201-2007 shall not exceed the amount the Construction Manager would otherwise have received under Sections 10.1.2 and 10.1.3 above, except that the Construction Manager's Fee shall be calculated as if the Work had been fully completed by the Construction Manager, utilizing as necessary a reasonable estimate of the Cost of the Work for Work not actually completed.

§ 10.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-2007. In such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201-2007, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 5.1 and 5.3.5 of this Agreement.

ARTICLE 11 MISCELLANEOUS PROVISIONS

§ 11.1 Terms in this Agreement shall have the same meaning as those in A201-2007.

§ 11.2 Ownership and Use of Documents

Section 1.5 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

§ 11.3 Governing Law

Section 13.1 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

§ 11.4 Assignment

The Owner and Construction Manager, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Construction Manager shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement. Except as provided in Section 13.2.2 of A201-2007, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 11.5 Other provisions:

ARTICLE 12 SCOPE OF THE AGREEMENT

§ 12.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

Init.

§ 12.2 The following documents comprise the Agreement:

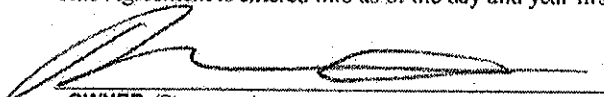
- .1 AIA Document A133-2009, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price
- .2 AIA Document A201-2007, General Conditions of the Contract for Construction
- .3 AIA Document E201™-2007, Digital Data Protocol Exhibit, if completed, or the following:

- .4 AIA Document E202™-2008, Building Information Modeling Protocol Exhibit, if completed, or the following:

- .5 Other documents:
(List other documents, if any, forming part of the Agreement.)

Exhibit B – Document Listing

This Agreement is entered into as of the day and year first written above.


OWNER (Signature)

Mickey McNamara
(Printed name and title)


CONSTRUCTION MANAGER (Signature)

Justin Brown, Executive Vice President
(Printed name and title)

Init.

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT H

APPROVED PRIOR EXPENDITURES

None

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT I

PERMITTED LIENS

1. Liens or encumbrances against the Property (and related improvements):

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the 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 (and related improvements), if any:

NONE

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT J

FORM OF OPINION OF DEVELOPER'S COUNSEL

[To be retyped on Developer's Counsel's letterhead]

City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, IL 60602

_____, 2013

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to JMC Steel Group, Inc., a Delaware corporation (the "Developer"), in connection with the construction of certain improvements on the property located at 227 W. Monroe Street located in the LaSalle Central 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) JMC STEEL GROUP, INC Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City"); and
- (b) 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 each of Developer's (i) Certificate of Incorporation, as amended to date, (ii) By-Laws, (iii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, and (iv) records of all corporate proceedings relating to the Project; 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 company duly organized, validly existing and in good standing under the laws of its state of 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 organization 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 Certificate of Incorporation or By-Laws 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 in favor of any lender providing lender financing.

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. Exhibit A attached hereto (a) identifies the equity of Developer and the number of equity interests held by each holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the equity of Developer. Each outstanding equity interest of Developer is duly authorized, validly issued, fully paid and non-assessable.

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 or the laws of the State of 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: _____

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT K

RESERVED

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT L

FORM OF PAYMENT AND PERFORMANCE BOND

A form of payment and performance bond is attached to this exhibit cover sheet.

CONTRACTOR'S PERFORMANCE & PAYMENT BOND

Know All Men by these Presents, That we,

Principal, hereinafter referred to as Contractor, and

Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of _____ lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Signed with our seals and dated this _____ day of _____ A.D., 199 _____

The Condition of the Above Obligation is such, That whereas the above

within Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing date the

_____ of _____ A.D. 19____ for _____

SPECIMEN

The said contract is incorporated herein by reference in its entirety, including without limitation, any and all indemnification provisions.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and shall save, indemnify, and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgements, costs, and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any respect whatever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Purchasing Agent, and/or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of requirements of said contract, wherefore the said Purchasing Agent shall have elected to suspend or cancel the same, and shall pay all sums and demands whatsoever, which may accrue to each and every materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with respect to wages shall be paid at prevailing wage rates if so required by said contract, and shall insure its liability to pay the compensation, and shall pay all sums and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person, under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act, 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.

And it is hereby expressly understood and agreed, and made a condition hereof, that any judgement rendered against said City in any it based upon any loss, damages, claims, liabilities, judgements, costs or expenses which may in anywise accrue against said City as a consequence of the granting of said contract, or which may in anywise result therefrom, or which may in anywise result from any injuries, or death of, any person, or damage to any real or personal property, arising directly or indirectly from, or in connection with, work rformed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or yone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or igement thereon, rendered against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the adency or arbitration proceedings or suit shall have been given said Contractor, shall be conclusive against each and all parties to this ligation, as to amount, liability and all other things pertaining thereto.

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as a subcontractor, otherwise, shall have the right to sue on this bond in the name of the City of Chicago for his use and benefit and in such suit said person plaintiff, shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless scution thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided, that nothing in this ad contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any ater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended; rovided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of ion unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor in 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no ce of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the mant was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public rovement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice in provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively ear that such defect has prejudiced the rights of an interested party asserting the same; provided, further, that no action shall be ight until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of erial, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the iration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work. r suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have a performed.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms ny of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the auons on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said tract Documents or to the work.

dated _____, 199__

(Seal)

(Seal)

Purchasing Agent

(Seal)

(Seal)

Approved as to form and legality:

(Seal)

Assistant Corporation Counsel

(Seal)

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT M

RESERVED

**LASALLE CENTRAL
REDEVELOPMENT PROJECT AREA**

JMC STEEL GROUP, INC

Redevelopment Agreement
dated as of November 15, 2013

EXHIBIT N

CITY FUNDS REQUISITION FORM

A form of the City Funds Requisition Form is attached to this exhibit cover sheet.

JMC STEEL GROUP, INC., a Delaware corporation

By: _____

Printed
Name: _____

Title: _____

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

My commission expires: _____