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: April 13, 2010

(Sub)Exhibit "A" referred to in this Resolution 10-CDC-23 reads as follows:

(Sub)Exhibit "A".
(To Resolution 10-CDC-23)

Street Boundary Description Of The
Stony Island Commercial And Burnside Industrial Corridor
Tax Increment Financing Redevelopment Project Area.

The Burnside Industrial Corridor runs along Cottage Grove Avenue on the west, the Norfolk Southern Rail Line on the east and the Bishop Ford Expressway. The Stony Island Avenue Commercial Corridor runs along Stony Island Avenue 80th Street on the north to 95th Street on the south, and along East 87th Street from Blackstone Avenue on the west to Anthony Avenue on the east.

REDEVELOPMENT AGREEMENT WITH LYRIC OPERA OF CHICAGO FOR REHABILITATION OF HISTORIC BUILDING AT 20 N. WACKER DR.

[O2010-2654]

The Committee on Finance submitted the following report:

CHICAGO, June 9, 2010.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing entering into and executing a Redevelopment Agreement with the Lyric Opera of Chicago, a not-for-profit corporation, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Moreno, Fioretti, Dowell, Preckwinkle, Hairston, Lyle, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Foulkes, Thompson, Thomas, Lane, Rugai, Cochran, Brookins, Muñoz, Zalewski, Dixon, Solis, Maldonado, Burnett, E. Smith, Graham, Reboyras, Suarez, Waguespack, Mell, Austin, Colón, Rice, Mitts, Allen, Laurino, O'Connor, Doherty, Reilly, Daley, Tunney, Levar, Shiller, Schulter, M. Smith, Stone -- 48.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on November 15, 2006 and published at pages 92019 -- 92099 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of such date, a certain redevelopment plan and project for the LaSalle Central Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"), and amended pursuant to an ordinance adopted on February 7, 2007 and published at pages 97850 -- 97855 of the *Journal* of such date, and amended pursuant to an ordinance adopted on May 9, 2007 and published at pages 104254 -- 104259 of the *Journal* of such date (such amended plan and project are referred to herein as the "Plan"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on November 15, 2006 and published at pages 92100 -- 92107 of the *Journal* of such date, and amended pursuant to an ordinance adopted on February 7, 2007 and published at pages 97850 -- 97855 of the *Journal* of such date, and amended pursuant to an ordinance adopted on May 9, 2007 and published at pages 104254 -- 104259 of the *Journal* of such date, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance (the "T.I.F. Ordinance") adopted by the City Council on November 15, 2006 and published at pages 92108 -- 92114 of the *Journal* of such date, and amended pursuant to an ordinance adopted on February 7, 2007 and published at pages 97850 -- 97855 of the *Journal* of such date, and amended pursuant to an ordinance adopted on May 9, 2007 and published at pages 104254 -- 104259 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, Lyric Opera of Chicago, an Illinois not-for-profit corporation (the "Developer"), currently owns certain property located within the Area at 20 North Wacker Drive, Chicago, Illinois 60606, located within the building commonly known as the Civic Opera Building, which was designated a Chicago Landmark on February 5, 1998 (the "Building"). The Developer will complete, in two phases, historic rehabilitation of all the Building's historic exterior doors and storefront windows on the first through third floors of the Building on the Wacker Drive and Madison Street facades. The historic rehabilitation of the Building's historic exterior doors and storefront windows are referred to as the "Project"; and

WHEREAS, The Developer proposes to undertake the Project in accordance with the LaSalle Central Redevelopment Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, including but not limited to the completion of the Project, to be financed in part by Incremental Taxes, if any; and

WHEREAS, Pursuant to Resolution 09-CDC-44 (the "Resolution") adopted by the Community Development Commission of the City (the "Commission") on August 11, 2009, the Commission recommended that the Developer be designated as the developer for the Project and that the City's Department of Community Development ("D.C.D.") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; now, therefore,

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

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

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

SECTION 3. The Commissioner of D.C.D. (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver: (a) a redevelopment agreement between the Developer and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement") and (b) such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

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

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

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

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

Lyric Opera Of Chicago Redevelopment Agreement

By And Between

The City Of Chicago

And

Lyric Opera Of Chicago.

This Lyric Opera of Chicago Redevelopment Agreement (this "Agreement") is made as of this ____ day of _____, 2010, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Community Development ("DCD"), and the Lyric Opera of Chicago, a not-for-profit corporation (the "Developer").

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on 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 Redevelopment Plan for the LaSalle Central Redevelopment Project Area"; (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") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer currently owns certain property located within the Redevelopment Area at 20 North Wacker Drive, Chicago, Illinois 60606 and legally described on Exhibit B hereto (the "Property"), located within the building commonly known as the Civic Opera Building (the "Building"), designated a Chicago Landmark on February 5, 1998, and, within the time frames set forth in Section 3.01 hereof, shall commence and complete, in two phases, as described below, historic rehabilitation of all the Property's historic exterior doors and storefront windows on the first through third floors of the Building on the Wacker Drive and Madison Street facades. The Property and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project."

The Project shall include: removal and repair of, or as appropriate, replacement of, bronze and wood doors and door elements and frames, thresholds, closers, pivots; cleaning and painting of mullions that will remain; installation of cast iron jambs or Dutchman at jamb bases; straightening and repair of castings, or replacement of casting, if necessary; removal, repair, cleaning, painting and reinstallation, or replacement as necessary, of all glass stops and glass above entrances; removal and replacement stops with new stops or cleaning and repair of existing stops as needed; cleaning and painting of cast iron; repairing of flower detail; removal and replacement of steel substructure; removal and replacement of glazing stops; completion of wet abrasive blast, collection of solid debris on exterior surfaces of existing cast iron surfaces and cleaning of area; painting of prime coat, intermediate coat, and finish coat; demolition and removal of existing concrete topping slabs and concrete at the base of existing mullions and existing jambs; furnishing and installation of Bituthene waterproofing membrane at areas of new concrete; and furnishing and installation of new concrete.

The Project shall be completed in two phases. The first phase of the Project ("Phase I") shall involve restoration of the twelve windows and seventeen doors that are in most need of repair. The second phase of the Project ("Phase II") shall involve restoration of the remaining seventeen windows and eighteen doors; provided, however, that Developer may, in its sole discretion, allocate Phase I work to Phase II, and Phase II work to Phase I. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

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

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

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

"Actual residents of the City" shall mean persons domiciled within the City.

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

"Annual Compliance Report" shall mean a signed report from the Developer to the City (a) itemizing each of the Developer's obligations under the Agreement during the preceding calendar year, (b) certifying the Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer is not in default with respect to any provision of the 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 Operating Covenant (Section 8.06); (2) delivery of Financial Statements and unaudited financial statements (Section 8.13); (3) delivery of updated insurance certificates, if applicable (Section 8.14); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); and (5) compliance with all other executory provisions of the Agreement.

"Approved Successor" shall have the meaning given such term in Section 8.26 hereof.

"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 financing or payment of Redevelopment Project Costs, after deducting (i) the 10.0% City Fee, (ii) all Incremental Taxes from a New Project pledged or allocated to assist the New Project, (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., Chicago Mercantile Exchange, Inc. and/or any of their respective Affiliates, and (iv) debt service payments with respect to the Bonds, if any.

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

"Bond(s)" shall have the meaning set forth for such term in Section 8.05 hereof.

"Bond Ordinance" shall mean the City ordinance authorizing the issuance of Bonds.

"Business Relationship" shall have the meaning set forth for such term in Section 2-156-080 of the Municipal Code of Chicago.

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

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

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

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

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

"City Fee" shall mean the fee described in Section 4.05(c) hereof.

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

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

"Compliance Period" shall mean a period beginning on the date the Certificate is issued and ending on the 10th anniversary of the date the Certificate is issued.

"Component Completion Certificate" shall mean the certificate of completion that the City may issue with respect to either phase of the Project pursuant to Section 7.01 hereof.

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

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

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

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

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

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

Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago.

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

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

"Final Project Cost" shall mean the sum of the Phase I Project Cost and the Phase II Project Cost as defined in Section 7.01 hereof.

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

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

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

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

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

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

"Incremental Taxes From a New Project" shall mean (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" shall have the meanings set forth in Section 13.01 hereof.

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

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

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

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

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

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

"New Project" shall mean 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" shall mean all non-governmental charges, liens, claims, or encumbrances relating to the Developer, the Property or the Project.

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

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

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

"Phase" shall mean, depending on the context, Phase I or Phase II.

"Phase I" shall have the meaning set forth in Recital D.

"Phase II" shall have the meaning set forth in Recital D.

"Phase I Certificate" shall have the meaning set forth in Section 7.01 hereof.

"Phase II Certificate" shall have the meaning set forth in Section 7.01 hereof.

"Phase I Payment" shall have the meaning set forth in Section 4.03(a) hereof.

"Phase II Payment" shall have the meaning set forth in Section 4.03(a) hereof.

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

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

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

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

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

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

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

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

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

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

"Survey" shall mean that certain Plat of Survey dated February 7, 1996 (Survey No. N-119848 SUBDIVISION), by Joseph A. Lima, National Survey Service, Inc., Illinois Professional Land Surveyor No. 3080.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and concluding at the end of the Compliance Period.

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

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

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

"Title Company" shall mean First American Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, in the full amount of the City Funds, 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, and containing only those title exceptions listed as Permitted Liens on Exhibit G hereto.

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

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by

the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Project, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction of Phase I no later than June 15, 2010, (ii) commence construction of Phase II no later than June 15, 2011; (iii) complete Phase I no later than June 14, 2011, and (iv) complete Phase II no later than June 14, 2012. Notwithstanding this Section 3.01, the Developer shall conduct its regular business operations on the Property in accordance with Section 8.06.

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

3.03 Project Budget. The Developer has furnished to DCD, and DCD has approved, a Project Budget showing total costs for the Project in an amount not less than One Million Nine Hundred and Fifty-Five Thousand Three Hundred Seventy-Six Dollars ($1,955,376). The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing, if any, and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DCD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by the Developer to DCD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DCD for DCD's prior written approval: (a) a reduction in the number of historic exterior doors and storefront windows being rehabilitated; (b) a delay in the completion of the Project by three (3) months or more; or (c) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DCD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DCD's prior written approval as set forth in this Section 3.04, but DCD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and the Developer, in connection with such notice, shall identify to DCD the source of funding therefor.

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

3.06 Other Approvals. Any DCD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Landmark Designation and Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DCD's approval of the Scope Drawings and Plans and Specifications and the Commission on Chicago Landmarks' approval with respect to the work affecting the significant historical and architectural features of the Project) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

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

3.08 [Intentionally omitted.]

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

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

3.11 Utility Connections. The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided the 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, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be One Million Nine Hundred and Fifty-Five Thousand Three Hundred Seventy-Six Dollars ($1,955,376), to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections 4.03(b) and 4.06)	$1,466,532
Lender Financing	N/A
Estimated City Funds (subject to Section 4.03)	$488,844
ESTIMATED TOTAL	$1,955,376

4.02 Developer Funds. Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project Costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DCD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall be disbursed to the Developer as follows: (1) a payment in connection with the issuance of the Phase I Certificate as described in Section 4.03(c) (the "Phase I Payment"), and (2) a payment in connection with the issuance of the Phase II Certificate as described in Section 4.03(d) (the "Phase II Payment"). Such payment of City Funds shall be contingent upon DCD having first received the Requisition Form.

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

Source of City Funds	Maximum Amount
Available Incremental Taxes	$488,844

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of (x) Four Hundred Eighty-Eight Thousand Eight Hundred and Forty-Four Dollars ($488,844), or (y) the sum of twenty-five percent (25%) of the actual Phase I expenditures plus the sum of twenty-five percent (25%) of the actual Phase II expenditures; and provided further, that the $488,844 to be derived from Available Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

(i) The amount of the Available Incremental Taxes deposited into the LaSalle Central TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Available Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of $488,844 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) Phase I Payment. Within 90 days after the issuance of the Phase I Certificate to the Developer by DCD, subject to the conditions described in this Section 4.03, the City shall make the Phase I Payment to Developer in an amount equal to 25% of Phase I expenditures; provided, however, that the Phase I Payment shall in no event exceed $247,547.

(d) Phase II Payment. Within 90 days after the issuance of the Phase II Certificate to the Developer by DCD, subject to the conditions described in this Section 4.03, the City shall make the Phase II Payment to Developer in an amount equal to 25% of Phase II expenditures; provided, however, that the Phase II Payment shall in no event exceed $241,297.

4.04 Requisition Form.

On the Closing Date and prior to each February 1 (or such other date as the parties may agree to) thereafter, beginning in 2011 and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DCD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DCD). On each February 1 (or such other date as may be acceptable to the parties), beginning in 2011 and continuing throughout the Term of the Agreement, the Developer shall meet with DCD at the request of DCD to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) [Intentionally omitted]

(c) City 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.

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

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

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

(a) the total amount of the disbursement request represents the actual amount paid to the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) the Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

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

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

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

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

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

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed by the Developer to the City subject to the rights and limitations and as otherwise provided in Section 15.02 and Section 15.03 hereof.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Landmark Designation and Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation to commence construction of the Project and has submitted evidence thereof to DCD. The Project is subject to the review and approval of the Commission on Chicago Landmarks as it pertains to work on the Project's significant historical and architectural features identified in Recital D. The Project's scope must be reviewed and approved by the Department of Zoning and Land Use Planning (DZLUP) prior to the ordering and fabrication of replacement doors or door parts and storefront elements. Such review by DZLUP may require the submission of shop drawings or other information, in DZLUP's sole discretion. Any changes to the Project as approved by DZLUP shall be resubmitted for DZLUP's review and approval. The Developer agrees to make best efforts to coordinate the work with the other owner of the Civic Opera Building to ensure a consistent and historically-appropriate appearance for the ground-floor storefronts and entrances including, without limitation, finishes and replacement doors. The Developer may apply for and process all other approvals required for such permits, subject to DZLUP's final approval upon the satisfaction of the foregoing conditions.

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity in the amount set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as

Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including, as applicable (as determined by Corporation Counsel) but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DCD, on or prior to the Closing Date, documentation related to ownership of the Property and copies of all easements and encumbrances of record with respect to the Property not addressed, to DCD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name (and the following trade names of the Developer: none) as follows:

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

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

5.07 Surveys. The Developer has furnished the City with three (3) copies of the Survey.

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

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

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

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

5.12 Documentation. The Developer has provided documentation to DCD, satisfactory in form and substance to DCD, with respect to current employment matters, including the reports described in Section 8.07.

5.13 Environmental. The Developer has provided DCD with copies of any phase I or phase II environmental reports or audits, if any, obtained by the Developer with respect to the Property, together with notices addressed to the Developer from any agency regarding environmental issues at the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), if any, authorizing the City to rely on such audits.

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles or Certificate of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation; and such other corporate documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DCD for its inspection and written approval. For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. For Project work other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. The Developer shall submit copies of the Construction Contract to DCD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DCD and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, the Developer does not solicit bids pursuant to Section 6.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed ten percent (10%) of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other

provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

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

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

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

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

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon satisfaction of the conditions set forth in this Section 7.01, and upon the Developer's written request, which shall include a final Project budget detailing the total actual cost of the construction of Phase I of the Project (the "Phase I Project Cost"), DCD shall issue to the Developer the Completion Certificate for Phase I of the Project (the "Phase I Certificate"). Upon the Developer's written request, which shall include a final Project budget detailing the total actual cost of the construction of Phase II of the Project ("Phase II Project Cost"), DCD shall issue to the Developer the Completion Certificate for Phase II of the Project (the "Phase II Certificate"). Both the Phase I Certificate and the Phase II Certificate shall be in recordable form certifying that the Developer has fulfilled its obligation to complete the applicable Phase of the Project in accordance with the terms of this Agreement. No Certificate shall be issued unless DCD is satisfied that the Developer has fulfilled all of the following obligations that pertain to the Certificate being requested:

(a) General conditions applicable to Phase I Certificate

(i) The Developer has completed construction of Phase I according to the Plans and Specifications for Phase I.

(ii) The Developer has submitted to DCD adequate documentation of the Phase I Project Cost.

(iii) Receipt of a Certificate of Occupancy, if applicable, or other evidence acceptable to DCD that the Developer has complied with building permit requirements for Phase I.

(iv) The City's Monitoring and Compliance Unit has verified that, at the time the Phase I Certificate is issued, the Developer is in full compliance as determined on a Project-wide basis with City requirements set forth in Section 10 and Section 8.09 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project, and that 100% of the Developer's MBE/WBE Commitment in Section 10.03 has been fulfilled.

(v) The Developer has incurred costs for TIF-Funded Improvements in an amount equal to or higher than the amount indicated on Exhibit C with respect to Phase I, unless the Developer agrees to a lesser amount.

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

(vii) DZLUP has verified that, at the time the Phase I Certificate is issued, the Developer has completed the Phase I work in a manner consistent with the Commission on Chicago Landmarks' approvals.

(b) Conditions applicable to the Phase II Certificate

(i) The Developer has completed construction of Phase II according to the Plans and Specifications for Phase II.

(ii) The Developer has submitted to DCD adequate documentation of the Phase II Project Cost.

(iii) Receipt of a Certificate of Occupancy, if applicable, or other evidence acceptable to DCD that the Developer has complied with building permit requirements for Phase II.

(iv) The City's Monitoring and Compliance Unit has verified that, at the time the Phase II Certificate is issued, the Developer is in full compliance as determined on a Project-wide basis with City requirements set forth in Section 10 and Section 8.09 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project, and that 100% of the Developer's MBE/WBE Commitment in Section 10.03 has been fulfilled.

(v) The Developer has incurred costs for TIF-Funded Improvements in an amount equal to or higher than the amount indicated on Exhibit C with respect to Phase II, unless the Developer agrees to a lesser amount.

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

(vii) DZLUP has verified that, at the time the Phase II Certificate is issued, the Developer has completed the Phase II work in a manner consistent with the Commission on Chicago Landmarks' approvals.

DCD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

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

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

7.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and any other related agreements to which the City and the Developer are or shall be parties, and cease all disbursement of City Funds not yet disbursed pursuant hereto;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) the Developer shall not do any of the following without the prior written consent of DCD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but

not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DCD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens and those being contested in good faith pursuant to Section 8.15 hereof; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing, if any, disclosed in the Project Budget;

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

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

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

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

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

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

8.06 Operating Covenant.

(a) Covenant to Maintain Property as Opera House. The Developer hereby covenants and agrees to maintain its Property as an opera house throughout the Compliance Period (the "Operating Covenant"). Maintaining the Property as an opera house shall mean operating the Property in a manner substantially similar to its current use and operation. The Operating Covenant set forth in this Section 8.06 shall run with the land and be binding upon any transferee of the Property. A default under the Operating Covenant shall constitute an Event of Default without notice or opportunity to cure.

(b) Covenant Runs with the Land; Remedy. The covenants set forth in this Section 8.06 shall run with the land and be binding upon any transferee of the Property throughout the Term of this Agreement. Upon expiration of the Term of this Agreement, if requested in writing by the Developer, the City shall deliver to Developer a release of this Agreement, in recordable form. In the event of a default of the Operating Covenant in this Section 8.06, the City shall have the right to recapture the City Funds previously paid or disbursed to the Developer for the Project if such default is not cured during the applicable cure period, if any, and to exercise any remedies described or referred to in this Agreement.

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written monthly progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City every month beginning after the first full month of Phase I and Phase II and ending at the end of each respective phase. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DCD which shall outline, to DCD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

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

City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.

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

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area. Without limiting the previous sentence, the Developer discloses that Chester T. Kamin and Craig C. Martin, partners of Jenner & Block LLP, the Developer's counsel, currently serve as board members of the Developer.

8.12 Disclosure of Interest. The Developer's counsel has no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project. Without limiting the previous sentence, the Developer discloses that Chester T. Kamin and Craig C. Martin, partners of Jenner & Block LLP, the Developer's counsel, currently serve as board members of the Developer.

8.13 Financial Statements. The Developer shall obtain and provide to DCD Financial Statements for the Developer's fiscal year ended 2009 and each year thereafter for the Term of the Agreement. In addition, the Developer shall submit audited or unaudited interim financial statements as soon as reasonably practical following the close of each fiscal year.

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

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

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

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

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

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

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

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

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the

State other than Cook County, and municipalities other than the City) relating to the Developer, the Property or the Project including but not limited to real estate taxes.

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

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

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

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

(c) Real Estate Taxes. The provisions of this Section 8.19(c) shall not apply to the Developer so long as the Developer remains exempt from the payment of real estate taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property that is necessary to support the debt service indicated ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K; (B) Exhibit K sets forth the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (C)

the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit K.]

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, 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.

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of the Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit K for the applicable year.

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

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

8.20 Title Policy. On the Closing Date, the Developer shall furnish the City with a copy of the Title Policy for the Property or a binding, signed, marked-up commitment to issue such Title Policy, certified by the Title Company, showing fee simple title to the Building in the Developer. The Title Policy shall be dated as of the date of this Agreement and shall contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also shall contain such endorsements as may be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer shall provide to DCD, prior to the Closing Date, copies of all easements and encumbrances of record with respect to the Property not addressed, to DCD's satisfaction, by the Title Policy and any endorsements thereto.

8.21 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago. Not withstanding anything to the contrary in this Section 8.21, in consideration of the City Funds, the Developer shall not be entitled to the waiver of those fees for the Project as otherwise authorized pursuant to Sec. 2-120-815 of the Chicago Landmarks Ordinance governing the waiving of permit fees for properties designated as Chicago Landmarks.

8.22 [Intentionally omitted.]

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

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion

or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246 " and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other

affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

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

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

(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 Project Budget shall be expended for contract participation by MBEs and by WBEs:

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as 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 accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DCD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in

determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five Business Days' notice and during business hours, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has determined that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the Bond Ordinance and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws

incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which the Developer, or any person directly or indirectly controlling, controlled by or under common control with the 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 the 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 the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

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

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

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

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

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

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

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

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

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

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

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

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements (a) without the consent of the Developer if the limits are not increased and (b) with the consent of the Developer if the limits are increased.

SECTION 13. INDEMNIFICATION

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

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

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

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or

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

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

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

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

(i) the dissolution of the Developer;

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

(k) the sale or transfer of all or substantially all of the ownership interests of the Developer without the prior written consent of the City.

For purposes of Section 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of ten (10%) of the Developer's membership interests.

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

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

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

Notwithstanding any other provision of this Agreement to the contrary, there shall be no notice requirement or cure period with respect to an Event of Default arising from the Developer's failure to comply with the Operating Covenant.

SECTION 16. MORTGAGING OF THE PROJECT

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

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

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

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DCD.

SECTION 17. NOTICE

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

If to the City:	City of Chicago Department of Community Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Fax No. (312) 744-0759 Attention: Commissioner
With Copies To:	City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Fax No. (312) 744-8538 Attention: Finance and Economic Development Division
If to the Developer:	Lyric Opera of Chicago 20 North Wacker Drive Chicago, Illinois 60606 Fax No. (312) 419-0061 Attention: Rich Regan
With Copies To:	Jenner & Block LLP 353 North Clark Street Chicago, Illinois 60654-3456 Fax No. (312) 923-8424 Attention: Michelle M. McAtee

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

SECTION 18. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, DCD or the Commissioner, or any matter is to be to the City's, DCD'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, DCD 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 DCD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

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

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

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give 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. All of the exhibits attached hereto are incorporated herein by reference.

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

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

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

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

THE LYRIC OPERA OF CHICAGO

By:_____

Its:_____

CITY OF CHICAGO

By:_____

_____,

_____ Commissioner

Department of Community Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

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

_____

Notary Public

My Commission Expires_____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

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

_____
Notary Public

My Commission Expires_____

[(Sub)Exhibits "A", "D", "E", "H", "J" and "L" referred to in this Lyric Opera of Chicago Redevelopment Agreement unavailable at time or printing.]

(Sub)Exhibits "B", "C", "F", "G", "I" and "K" referred to in this Lyric Opera of Chicago Redevelopment Agreement read as follows:

(Sub)Exhibit "B".
(To Lyric Opera Of Chicago Redevelopment Agreement)

The Property.

Parcel 1 (Theater Parcel):

Lots 1, 1A, 1B, 1C, 1D, 1E, 1F, 1G, 1H, 1I, 1J, 1K, 1L, 1M and 1N, in the plat or subdivision dated February 7, 1996, prepared by National Survey Service, Inc. captioned Civic Opera Building Subdivision, and recorded April 15, 1996, with the Cook County Recorder's office as Document 96 280 660, being a subdivision of the following described property:

Lots 1 and 2 in County Clerk's Division of Block 52, original town and wharfing privileges according to the map thereof recorded May 10, 1878 in Book 13 of plats, at page 90, in the Recorder's office of Cook County, Illinois, except that part lying west of the westerly line of the property conveyed by deed recorded August 2, 1913, as Document 5237569 (said line also being the westerly face of the dock or wharf on the east bank of the Chicago River as shown on survey made by the City of Chicago Bureau of Surveys dated June 18, 1913) in Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, also described as all that tract of land bounded on the east by Wacker Drive, on the south by Madison Street, on the west by the Chicago River and on the north by Washington Street, in the City of Chicago, in Cook County, Illinois;

Excepting therefrom that part of the land falling within the facade as defined in the easement and operating agreement recorded April 15, 1993 as Document 93277677.

Parcel 2 (Easement for the Benefit of Parcel 1):

Easement for the benefit of Parcel 1 as created by easement and operating agreement recorded April 15, 1993 as Document 93277677 made by the Travelers Insurance Company to Lyric Opera of Chicago for ingress and egress, structural support, use of facilities, theater easement facilities, encroachments, common walls, ceilings, and floors, utilities, signage, future communications facilities, mechanical rooms, theater roof -- H.V.A.C. equipment, elevator pits and overrides back stage elevator shaft, green room, restaurant access, office building freight elevators, sign on fourth floor, truck lift, subterranean easements, emergency stairway, loading dock, theater owned facilities, lobby, and john as more particularly described in said agreement, as well as specific ingress and egress easements described in Exhibit 3.2(a) over parts of the following described real estate and as amended by first amendment to easement and operating agreement dated February 29, 1996 and recorded March 1, 1996 as Document 96161903 made by and between Lyric Opera of Chicago and Windy Point L.L.C.

Parcel 3 (Office Parcel):

Lots 2, 2A, 2B, 3, 3A, 3B, 3C, 3D, 3E, 3F, 3G, 3H, 3I, 3J, 3K, 3L, 3M, 3N, 3P, 3Q, 3R, 3S, 3T, 3U, 3V, 3W, 3X,3Y, 3Z, 3AA, 3BB, 3CC, 3DD, 4, 4A, 4B, 4C, 4D and 4E the plat of subdivision dated February 7, 1996, prepared by National Survey Service, Inc. captioned Civic Opera Building Subdivision, and recorded April 15, 1996, with the Cook County Recorder's office as Document 96 280 660, being a subdivision of the following described property:

Lots 1 and 2 in County Clerk's Division of Block 52, original town and wharfing privileges according to the map thereof recorded May 10, 1878 in Book 13 of plats, at page 90, in the Recorder's office of Cook County, Illinois, except that part lying west of the westerly line of the property conveyed by deed recorded August 2, 1913, as Document 5237569 (said line also being the westerly face of the dock or wharf on the east bank of the Chicago River as shown on survey made by the City of Chicago Bureau of Surveys dated June 18, 1913) in Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, also described as all that tract of land bounded on the east by Wacker Drive, on the south by Madison Street, on the west by the Chicago River and on the north by Washington Street, in the City of Chicago, in Cook County, Illinois.

Parcel 4 (Portions of First and Third Floors):

Lots 2 and 2a, first floor lots, in the plat of subdivision dated February 7, 1996 prepared by National Survey Service, Inc., captioned Civic Opera Building Subdivision, and recorded April 15, 1996 with the Cook County Recorder's office as Document Number 96280660; said Lots 2 and 2A having as a lower limit a horizontal plane of +21.00 feet Chicago City Datum and having as an upper limit a horizontal plane of elevation +38.97 feet Chicago City Datum; and that part of Lot 3, first floor lots, in the plat of subdivision dated February 7, 1996, prepared by National Survey Service, Inc., captioned Civic Opera Building Subdivision, and recorded April 15, 1996 with the Cook County Recorder's office as Document Number 96280660, bounded and described as follows:

beginning at the most southerly southeast corner of said Lot 3; thence south 88 degrees, 36 minutes, 57 seconds west, along the south line of said Lot 3, a distance of 1.66 feet to its southwest corner thereof; thence north 01 degree, 23 minutes, 03 seconds west, along the west line of said Lot 3 east line of Lot 2 aforesaid, a distance of 78.21 feet to the northeast corner of Lot 2 aforesaid; thence north 88 degrees, 36 minutes, 57 seconds east, perpendicular to the last described line,1.66 feet to the east line of Lot 3 aforesaid; thence south 01 degree, 23 minutes, 14 seconds east, along the east line of Lot 3 aforesaid, 78.21 feet to the hereinabove designated point of beginning, said part of Lot 3 having as a lower limit a horizontal plane of +21.00 feet Chicago City Datum and having as an upper limit a horizontal plane of elevation +38.97 feet Chicago City Datum and that part of Lot 3, third floor lots, in the plat of subdivision dated February 7, 1996, prepared by National Survey Service, Inc., captioned Civic Opera Building Subdivision, and recorded April 15, 1996 with the Cook County Recorder's office as Document Number 96280660, bounded and described as follows:

beginning at the southeast corner of said Lot 3; thence south 88 degrees, 34 minutes, 46 seconds west, along the south line of said Lot 3, a distance of 25.35 feet to its southwest corner thereof; thence along the westerly and northerly lines of said Lot 3 for the following described twenty (20) courses; thence north 01 degree, 23 minutes, 03 seconds west, 10.32 feet; thence south 88 degrees, 36 minutes, 57 seconds west, 1.74 feet; thence north 01 degree, 23 minutes, 03 seconds west, 6.43 feet; thence north 88 degrees, 36 minutes, 57 seconds east, 6.90 feet; thence north 01 degree, 23 minutes, 03 seconds west, 3.08 feet; thence south 88 degrees, 36 minutes, 57 seconds west, 2.11 feet; thence north 01 degree, 23 minutes, 03 seconds west, 9.62 feet; thence north 88 degrees, 36 minutes, 57 seconds east, 1.42 feet; thence north 01 degree, 23 minutes, 03 seconds west, 6.61 feet; thence north 88 degrees, 36 minutes, 57 seconds east, 0.64 feet; thence north 01 degree, 23 minutes, 03 seconds west, 22.16 feet; thence north 88 degrees, 36 minutes, 57 seconds east, 1.11 feet; thence north 01 degree, 23 minutes, 03 seconds west, 24.07 feet; thence north 46 degrees, 23 minutes, 03 seconds west, 4.95 feet; thence south 88 degrees, 36 minutes, 57 seconds west, 4.41 feet; thence north 01 degree, 23 minutes, 03 seconds west, 2.25 feet; thence south 88 degrees, 36 minutes, 57 seconds west, 5.00 feet; thence south 01 degree, 23 minutes, 03 seconds east, 1.15 feet; thence south 88 degrees, 36 minutes, 57 seconds west, 6.60 feet; thence north 01 degree, 23 minutes, 03 seconds west, 16.23 feet to an angle corner in Lot 3 aforesaid; thence north 07 degrees, 16 minutes, 53 seconds west, along a westerly line of Lot 3 aforesaid, 0.79 feet; thence north 88 degrees, 36 minutes, 57 seconds east, along a northerly line of Lot 3 aforesaid and its westerly extension, 2.26 feet; thence along the westerly and northerly lines of Lot 3 aforesaid for the following described ten (10) courses; thence south 01 degree, 23 minutes, 03 seconds east, 0.21 feet; thence north 88 degrees, 36 minutes, 57 seconds east, 8.31 feet; thence north 01 degree, 23 minutes, 03 seconds west, 0.72 feet; thence north 88 degrees, 36 minutes, 57 seconds east, 1.46 feet; thence north 01 degree, 23 minutes, 03 seconds west, 15.44 feet; thence south 88 degrees, 36 minutes, 57 seconds west, 1.18 feet; thence north 01 degree, 23 minutes, 03 seconds west, 3.60 feet; thence north 88 degrees, 36 minutes, 57 seconds east, 1.46 feet; thence north 01 degree, 23 minutes, 03 seconds west, 4.97 feet; thence south 88 degrees, 36 minutes, 57 seconds west, 0.21 feet; thence north 01 degree, 23 minutes, 03 seconds west, perpendicular to the last described line, 6.02 feet; thence north 88 degrees 36 minutes 57 seconds east, perpendicular to the last described line, 5.04 feet; thence south 01 degree, 23 minutes, 03 seconds east, perpendicular to the last described line, 5.48 feet; thence north 88 degrees, 36 minutes, 57 seconds east, perpendicular to the last described line, 21.68 feet to the east line of Lot 3 aforesaid; thence south 01 degree, 23 minutes, 14 seconds east, along the east line of Lot 3 aforesaid, 128.95 feet to the hereinabove designated point of beginning, said part of Lot 3 having as a lower limit a horizontal plane of +54.49 feet Chicago City Datum and having as an upper limit a horizontal plane of elevation +66.54 feet Chicago City Datum; excepting from all the above that part of the land falling within the facade as defined in the easement and operating agreement recorded April 15,1993 as Document 93277677, as amended; said Civic Opera Building Subdivision being a subdivision of the following property:

Lots 1 and 2 in "County Clerk's Division of Block 52, original town and wharfing privileges" according to the map thereof recorded May 10, 1878 in Book 13 of plats, at page 90, in the Recorder's office of Cook County, Illinois, except that part lying west of the westerly line of the property conveyed by deed recorded August 2, 1913 as Document Number 5237569 (said line also being the westerly face of the dock or wharf on the east bank of the Chicago River as shown on survey made by the City of Chicago Bureau of Surveys dated June 18, 1913 in Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, also described as all that tract of land bounded on the east by Wacker Drive, on the south by Madison Street, on the west by the Chicago River and on the north by Washington Street, in the City of Chicago, in Cook County, Illinois;

Parcel 5 (Easement for the Benefit of Parcel 4):

Easement rights for the benefit of Parcel 4 more fully described in easement and operating agreement made by and between Lyric Opera of Chicago and Travelers Insurance Company and dated December 24,1992 and recorded on April 15, 1993 as Document Number 93277677, as amended by first amendment thereto dated February 29, 1996 and recorded on March 1, 1996 as Document Number 96161903, and by second amendment thereto dated as of September 29, 1997 and recorded on October 1, 1997 as Document Number 97728117, each made by and between Lyric Opera of Chicago and Windy Point L.L.C., as further amended by third amendment made by and between Lyric Opera of Chicago and EOP Operating Limited Partnership recorded April 17, 2008 as Document 0810822039, and further amended by fourth amendment made by and between Lyric Opera of Chicago and Civic Opera, L.P. recorded June 13, 2008 as Document 0816531007, all of which include, without limitation, easements over, upon, across and within portions of the "office property" as defined and described therein.

(Sub)Exhibit "C".
(To Lyric Opera Of Chicago Redevelopment Agreement)

T.I.F.-Funded Improvements.

Category	Amount
Costs of Rehabilitation	$488,844*

*Total

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* Notwithstanding the total of T.I.F.-Funded Improvements or the amount of T.I.F.-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed the lesser of (x) Four Hundred Eighty-eight Thousand Eight Hundred Forty-four Dollars ($488,844), or (y) the sum of twenty-five percent (25%) of the actual Phase I expenditures plus the sum of twenty-five percent (25%) of the actual Phase II expenditures.

(Sub)Exhibit "F".
(To Lyric Opera Of Chicago Redevelopment Agreement)

Permitted Liens.

1. Liens or encumbrances against the Property:

   Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any:

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

(Sub)Exhibit "G".
(To Lyric Opera Of Chicago Redevelopment Agreement)

Phase 1.

Budget.

Project Design (W.J.E.)	$ 35,000.00
Project Management (W.J.E.)	10,000.00
Construction:	
Cast Iron/Glazing/Hardware	328,030.00
Stripping/Painting	95,000.00
Concrete/Waterproofing/Masonry	45,000.00

Scaffolding/Carpentry/Patching	$ 85,000.00
GC Contingency Allowance	20,000.00
General Conditions/Insurance	83,000.00
Overhead and Profit	121,970.00
Alternates	43,000.00
Phase 1 Contingency	124,188.00
Phase 1 Total:	$990,188.00

Phase 2.

Budget.

Project Management (W.J.E.)	$ 10,000.00
Construction:	
Cast Iron/Glazing/Hardware	395,290.00
Stripping/Painting	70,000.00
Concrete/Waterproofing/Masonry	45,000.00
Scaffolding/Carpentry/Patching	63,000.00
General Conditions/Insurance	85,000.00
Overhead and Profit	129,710.00
Alternates	43,000.00
Phase 2 Contingency	124,188.00
Phase 2 Total:	965,188.00
TOTAL PROJECT BUDGET:	$1,955,376.00

(Sub)Exhibit "I".
(To Lyric Opera Of Chicago Redevelopment Agreement)

Opinion Of Developer's Counsel.

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

_____, 2010

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Re: Lyric Opera of Chicago Redevelopment Agreement by and between the City of Chicago, an Illinois municipal corporation (the "City"), and the Lyric Opera of Chicago, an Illinois not-for-profit corporation ("Developer")

Ladies and Gentlemen:

We have served as pro bono legal counsel for Developer in connection with that certain Lyric Opera of Chicago Redevelopment Agreement (the "T.I.F. Document") of even date herewith by and between the City and Developer related to the historic rehabilitation of the exterior doors and storefront windows on the first through third floors of that certain building located at 20 North Wacker Drive, Chicago, Illinois 60606 and commonly known as the Civic Opera Building (the "Property"). This opinion letter is being delivered at the request of Developer and pursuant to Section 5.09 of the T.I.F. Document. Capitalized terms which are used but not otherwise defined herein shall have the meanings ascribed to such terms in the T.I.F. Document.

A. Basis Of Opinion. As the basis for the conclusions expressed in this opinion letter, we have examined, considered and relied upon the following agreements, instruments and documents (hereinafter referred to as the "Documents"):

1) the T.I.F. Document;

2) Articles of Incorporation of Developer, as the same may have been amended, certified by the Illinois Secretary of State on _____, 2010;

3) A certified copy of the Bylaws of Developer;

4) Certificate of Good Standing of Developer, issued by the Illinois Secretary of State on _____, 2010;

5) Resolutions Adopted by the Executive Committee of the Board of Directors of Developer dated _____, 2010, authorizing the execution, delivery and performance by Developer of the T.I.F. Document; and

6) The judgment and other searches with respect to Developer performed by Corp-Link Services, Inc. and attached hereto as (Sub)Exhibit A (the "Searches").

All of the documents listed in item Numbers 2 through 5 are herein sometimes collectively referred to as the "Organizational Documents".

B. Assumptions And Qualifications. The opinions set forth below are qualified as stated therein and are further qualified by the following assumptions, qualifications and limitations:

1. The opinions are based upon existing laws, ordinances and regulations in effect as of the date hereof and as they presently apply.

2. We have assumed (i) the competency and legal capacity of all individuals signing the T.I.F. Document and other documents on behalf of all parties, (ii) the genuineness of all signatures on behalf of all parties (other than those of Developer), (iii) the authenticity, completeness and accuracy of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified or photostatic copies, and (v) the accuracy and completeness of all records made available to us on behalf of all parties.

3. We have assumed that: (i) the T.I.F. Document (except with respect to Developer) have been duly authorized, executed and delivered, are within the corporate or organizational power or authority of the entity executing such T.I.F. Document, are the legal, valid and binding obligations of such entity and that all such entities are in material compliance with all applicable laws, rules and regulations governing the conduct of their business with respect to this transaction; (ii) the T.I.F. Document will be enforced in circumstances and in a manner which are commercially reasonable; (iii) the City acts in good faith in connection with the T.I.F. Document; and (iv) all terms, provisions and conditions relating to the transaction referred to in this opinion letter are correctly and completely reflected in the T.I.F. Document.

4. Our opinion is subject to the qualifications that (a) the enforceability of any instruments referred to herein may be subject to applicable bankruptcy, insolvency and fraudulent transfer laws, and similar laws affecting the enforceability of creditors' rights generally; (b) the remedies of the parties therein may be qualified by laws governing specific performance, injunctive relief and other equitable remedies of creditors, and if any party to any of the documents referred to in this opinion were to seek an equitable remedy in Illinois, such as specific performance, the availability of such remedy would be subject to the discretion of the court requested to grant such remedy; (c) certain remedies under the T.I.F. Document may be limited by applicable laws of Illinois; (d) we express no opinion regarding the enforceability of any provisions in the T.I.F. Document (i) which require Developer to indemnify the City against or to waive claims against the City for the negligence or wrongful

acts of the City or its agents, (ii) which waive requirements of notice, good faith, consent, the exercise of commercial reasonableness, obligations of reasonable care of collateral and limitations on remedies of rights of creditors in instances when such waiver is not permitted by the Uniform Commercial Code of the State of Illinois (205 ILCS 5/1-101, et seq.) (the "Code") or other applicable laws, (iii) which limit Developer's remedies for the City's breach of its obligation to act reasonably, to injunction or declaratory judgment, (iv) which purport to waive any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal, (v) which purport to waive any benefit of any statute of limitations affecting the liability of any party, or (vi) which purport to waive or alter any court process, rule of procedure, jurisdiction, venue or trial by jury, or the court's discretion to award and determine the amount of attorneys' fees; (e) we express no opinion as to the enforceability of any T.I.F. Document under the laws of any jurisdiction other than Illinois and federal laws; (f) we express no opinion with respect to the status of title to the Property described in the T.I.F. Document, but assume, for purposes of this opinion, that the T.I.F. Document contains an accurate description of the Property and that Developer owns the Property. Notwithstanding the foregoing, with respect to the qualifications in clauses (b), (c) and (d) above, the unenforceability or limitations set forth therein will not in our judgment render the T.I.F. Document invalid as a whole, or substantially interfere with the realization of the principal legal benefits permitted thereby, except to the extent of any procedural delay which may result therefrom.

5. As to questions of fact material to the opinions hereinafter expressed, we have relied upon the representations and warranties of Developer contained in the Certification of Developer attached hereto (the "Certification"), and the actual knowledge of Michelle M. McAtee, Donald S. Horvath, Vito M. Pacione and Kristen M. Boike (being the Jenner & Block attorneys currently working on matters relating to Developer), and the specific documents to which we opine. Additionally, the phrase "to the best of our knowledge", "to our knowledge" and phrases of similar import shall mean the actual knowledge of Michelle M. McAtee, Donald S. Horvath, Vito M. Pacione and Kristen M. Boike (being the Jenner & Block attorneys currently working on matters relating to Developer), without any independent investigation other than review of the Certification attached hereto. However, we know of no facts which lead us to believe that such factual matters set forth in the Certification or the T.I.F. Document are untrue or inaccurate.

6. In rendering our opinions herein, we have also assumed, without independent verification, that (a) there is no oral or written agreement, understanding, course of dealing or usage of trade that amends any term of any T.I.F. Document or any waiver of any such term, and (b) there has been no mutual mistake of fact or misunderstanding, fraud, duress, undue influence or similar inequitable conduct.

C. Opinions. Based upon our examination and consideration of the foregoing documents set out in Section A above and in reliance thereon, and subject to the comments, assumptions, limitations, qualifications and exceptions set forth in Sections B and D hereof, we are of the opinion that:

1. Existence And Authority. Developer is an Illinois not-for-profit corporation, duly organized, validly existing and in good standing in the State of Illinois, has full power and authority to own and lease the Property and to carry on its business as presently conducted. The Developer has full right, power and authority to execute and deliver the T.I.F. Document and to perform its obligations thereunder.

2. Execution, Delivery And Enforceability. The execution and delivery of the T.I.F. Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of Developer. The T.I.F. Document has been duly executed and delivered by or on behalf of Developer, and such T.I.F. Document constitutes the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' right generally.

3. No Approval Or Consent. Other than the Organizational Documents, the execution, delivery and performance of the T.I.F. Document by Developer have not and will not require any consent, approval, waiver, license or authorization or other action by or filing with any State of Illinois or federal governmental authority.

4. No Conflict. The execution, delivery, and performance by Developer of the T.I.F. Document and the grant of liens thereunder, do not (a) conflict with, constitute a default under, or violate (i) any of the terms, conditions, or provisions of the Organizational Documents, (ii) to our actual knowledge, or based on the Certification attached hereto, any of the terms, conditions, or provisions of any document, agreement, or other instrument of which we have actual knowledge, to which Developer is a party or by which Developer is respectively bound, (iii) any Illinois or federal law, or (iv) to our actual knowledge, or based on the Certification attached hereto, any judgment, writ, injunction, decree, order or ruling of any court or governmental authority binding on Developer, or (b) to our actual knowledge, result in the creation of a lien, charge or encumbrance on any property or assets of Developer except as contemplated by the T.I.F. Document.

5. Judgments And Proceedings. Based solely on our review of the Searches and the Certification, no judgments are outstanding against the Developer, nor is there now pending any litigation by or against the Developer or affecting the Developer or the Property, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof.

6. Enforceability Choice Of Law Provision. Under choice of law principles applicable under Illinois law, the provisions of the T.I.F. Document stating that Illinois law shall govern the enforcement of the T.I.F. Document are enforceable, so long as the court finds that (i) Illinois bears a reasonable relationship to the transaction contemplated by the T.I.F. Document and (ii) the enforcement of the T.I.F. Document in accordance with Illinois law is not dangerous, immoral or contrary to public policy.

D. Comments, Assumptions, Limitations, Qualifications And Exceptions. The opinions expressed in Section C above are based upon and subject to, the further comments, assumptions, limitations, qualifications and exceptions set forth below:

1. We are licensed to practice law only in the State of Illinois and do not hold ourselves out to be experts on the laws of any jurisdiction other than the State of Illinois and the United States of America. Accordingly, the opinions expressed herein are specifically limited to the laws of the State of Illinois and the federal law of the United States of America.

2. We have made no examinations of filing or recording office records, and accordingly we express no opinion on whether any documents required by the T.I.F. Document to be recorded and/or filed have actually been recorded and/or filed.

3. We have made no examination of and express no opinion as to (i) matters of title, or (ii) the accuracy or adequacy of any descriptions of the Property.

4. Requirements in the T.I.F. Document specifying that provisions thereof may only be waived in writing, may not be valid, binding or enforceable to the extent that an oral agreement or implied agreement by trade practices or course of conduct has been created modifying any provision of such documents.

5. We have not reviewed and do not opine as to: (i) compliance with applicable zoning, health, safety, building, environmental, land use or subdivision laws, ordinances, codes, rules or regulations, (ii) ERISA laws, rules and regulations, or (iii) federal or state taxation, banking, securities or "blue sky" laws, rules or regulations.

6. Our opinions are limited to only those laws, rules and regulations that we have, in the exercise of customary professional diligence, but without any special investigation, recognized as generally applicable to the transactions contemplated by the T.I.F. Document or to business organizations of the same type as Developer and exclude regulatory laws, tax laws, antitrust laws, securities laws (including the Investment Company Act of 1940, as amended), the Exon-Florio amendment, the United States of America Patriot Act, the Trading with the Enemy Act, Executive Order 13224 and similar laws and regulations, and all laws, rules and regulations of the type described in Section 19 of the Legal Opinion Accord of the American Bar Association Section of Business Law (1991). In addition, we express no opinion as to any law, rule or regulation (i) the violation of which would not have a material adverse effect on you or Developer or the ability of Developer to perform its obligations under the T.I.F. Document, (ii) the violation of which can be cured without significant expense to you, or (iii) to which Developer may be subject as a result of your legal or regulatory status.

7. This opinion letter is limited to the matters stated herein and no opinions may be implied or inferred beyond the matters expressly stated herein.

8. Our opinions herein are based upon the current status of Illinois law and are given as of the date hereof. We are making no undertaking to hereafter advise you of any changes in factual or legal matters which might contradict the opinions set forth herein and we assume no obligation to update this opinion letter. We have also assumed the authenticity of the Organizational Documents and all copies of documents which we have reviewed in connection with this opinion.

We have also assumed that all necessary recordings and/or filings of the T.I.F. Document shall take place.

This opinion is for the information and reliance of the City, its successors and assigns, and no other party or entity shall be entitled to rely thereon without the express written consent of this firm. Without our prior written consent, this opinion may not be quoted in whole or in part or otherwise referred to in any document or report and may not be furnished to any person or entity. The City may, if necessary, refer to or quote this opinion in any report prepared in connection with the T.I.F. Document and may furnish a copy of this opinion to City personnel that require the opinion for purposes of authorizing, evaluating or reviewing the T.I.F. Document.

Very truly yours,

Jenner & Block L.L.P.

By: _____
Michelle M. McAtee, a Partner

(Sub)Exhibit "A" referred to in this Opinion of Developer's Counsel reads as follows:

(Sub)Exhibit "A".
(To Opinion Of Developer's Counsel)

Searches.

Certification Of Developer.

The undersigned, in the capacity as indicated below, hereby certifies to the City of Chicago, an Illinois municipal corporation (the "City"), and to Jenner & Block L.L.P. in connection with the issuance by Jenner & Block L.L.P.'s of the attached legal opinion (the "Legal Opinion") to the City, that the statements set forth below are true and correct. The undersigned hereby consents to Jenner & Block L.L.P.'s delivery of the Legal Opinion to the addressee thereof. Capitalized terms used, but not defined, herein shall have the meaning given to such terms in the Legal Opinion.

1. The Organizational Documents are the only documents creating or governing the internal affairs of Developer, and such documents have not been amended or modified, except as stated in the Legal Opinion.

2. The Organizational Documents are the only documents authorizing the T.I.F. Document, and such documents have not been amended or modified, except as stated in the Legal Opinion.

3. Since the respective date of the good standing certificate for Developer, set forth in the Legal Opinion, Developer has not received notice of any proceeding or other fact that would adversely affect the good standing or authority to transact business of Developer in the State of Illinois.

4. The terms, conditions and provisions of the T.I.F. Document have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the T.I.F. Document.

5. Set forth below in this paragraph 5, is a list of all legal or administrative proceedings, judgments, injunctions, orders and decrees to which any of the Certification Parties is a party.

List: None.

6. Set forth below in this paragraph 5, is a list of all instruments and agreements to which each of Developer is a party that relate to the ability of the undersigned to execute, deliver or perform their obligations under the T.I.F. Document:

List: None.

In Witness Whereof, The undersigned have executed this Certification of Developer as of the ___ day of _____, 2010.

Developer:

Lyric Opera of Chicago, an Illinois
not-for-profit corporation

By: _____

Name: _____

Title: _____

(Sub)Exhibit "K".
(To Lyric Opera Of Chicago Redevelopment Agreement)

Requisition Form.

State of Illinois)
) SS.
County of Cook)

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

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

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

$_____

C. The Developer requests reimbursement for the following cost of T.I.F.-Funded Improvements:

$_____

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

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

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

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

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

[Developer]

By: _____
Name

Title: _____

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

_____

My commission expires: _____

Agreed and Accepted:

_____
Name

Title: _____

City of Chicago
Department of Planning and Development

AMENDED AND RESTATED REDEVELOPMENT AGREEMENT WITH GATEWAY PARK, L.L.C. AND HAT DEVELOPMENT L.L.C., ISSUANCE OF CITY NOTE AND CONVEYANCE OF CITY-OWNED PROPERTY.

[O2010-2656]

The Committee on Finance submitted the following report:

CHICAGO, June 9, 2010.

To the President and Members of the City Council: