
2014 Annual Report

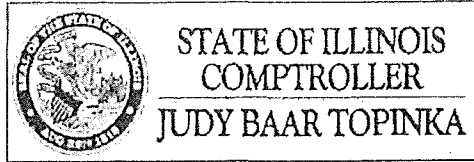
Goose Island Redevelopment Project Area



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

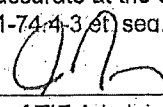
JUNE 30, 2015

FY 2014
ANNUAL TAX INCREMENT FINANCE
REPORT



Name of Municipality: City of Chicago Reporting Fiscal Year: **2014**
 County: Cook Fiscal Year End: **12 /31/2014**
 Unit Code: 016/620/30

TIF Administrator Contact Information			
First Name:	<u>Andrew J.</u>	Last Name:	<u>Mooney</u>
Address:	<u>City Hall, 121 N. LaSalle</u>	Title:	<u>Administrator</u>
Telephone:	<u>(312) 744 0025</u>	City:	<u>Chicago, IL</u> Zip: <u>60602</u>
Mobile	<u>n/a</u>	E-mail	<u>TIFReports@cityofchicago.org</u>
Mobile Provider	<u>n/a</u>	Best way to contact	<input checked="" type="checkbox"/> <u>X</u> Email <input type="checkbox"/> Phone <input type="checkbox"/> Mobile <input type="checkbox"/> Mail

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

 Written signature of TIF Administrator _____ Date June 30, 2015

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

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	12/31/2022
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2014
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th Street/St. Lawrence Avenue	1/10/1996	12/31/2020
51st/ Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029

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

Name of Municipality: Chicago

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Unit Code: 016/620/30

79th Street Corridor	7/8/1998	7/8/2021
79th Street/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	12/31/2014
105th/Vincennes	10/3/2001	12/31/2025
107th Halsted	4/2/2014	12/31/2038
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
134th and Avenue K	3/21/2008	12/31/2014
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/2010	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025

Name of Municipality: Chicago
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Drexel Boulevard	7/10/2002	12/31/2026
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	7/10/1996	7/10/2019
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Foster California	4/2/2014	12/31/2038
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan-Arthington	2/5/1998	2/5/2021
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	12/31/2014
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014

Name of Municipality: Chicago
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North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	12/31/2015
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
Weed/Fremont	1/8/2008	12/31/2032
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park Conservation Area	3/11/1998	12/31/2014
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2030
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2014**

Name of Redevelopment Project Area: <u>Goose Island Redevelopment Project Area</u>
Primary Use of Redevelopment Project Area*: <u>Combined/Mixed</u>
If "Combination/Mixed" List Component Types: <u>Commercial/Industrial</u>
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
Tax Increment Allocation Redevelopment Act <u>X</u> Industrial Jobs Recovery Law _____

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)] If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2014, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

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

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2014

TIF NAME: Goose Island Redevelopment Project Area

Fund Balance at Beginning of Reporting Period

\$ 13,320,394

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	4,009,433	\$ 44,672,133	62%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	23,266	870,711	1%
Land/Building Sale Proceeds			0%
Bond Proceeds		16,800,000	23%
Transfers from Municipal Sources	10,000,000	10,000,000	14%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 14,032,699

Cumulative Total Revenues/Cash Receipts

\$ 72,342,844 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 16,055,143

Distribution of Surplus

\$ 54,390

Total Expenditures/Disbursements

\$ 16,109,533

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ (2,076,834)

FUND BALANCE, END OF REPORTING PERIOD*

\$ 11,243,560

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

Total Amount Designated (Carried forward from Section 3.3)

\$ 11,243,560

(a) Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the extraordinary administrative burden of developing cumulative City records prior to the City's conversion to its current accounting system in 2003.

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)

		\$ -

15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY

		\$ -

16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY

		\$ -

TOTAL ITEMIZED EXPENDITURES

\$ 16,055,143

Section 3.2 B

FY 2014

TIF NAME: Goose Island Redevelopment Project Area

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

Name	Service	Amount
City Staff Costs ¹	Administration	\$75,558
Wm. Wrigley Jr. Co.	Development	\$515,181
1140 North Branch Development	Development	\$68,880
UI Labs	Development	\$10,000,000
FH Paschen SN Nielsen & Associates	Public Improvement	\$2,950,000
AECOM Technical Services	Public Improvement	\$111,155
Transystem Corp.	Public Improvement	\$39,344
Amalgamated Bank of Chicago	Financing	\$2,269,958

¹ Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

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

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

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

FY 2014

TIF NAME: Goose Island Redevelopment Project Area

FUND BALANCE, END OF REPORTING PERIOD \$ 11,243,560

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Restricted for debt service	\$ 16,800,000	\$ 5,393,157

Total Amount Designated for Obligations \$ 16,800,000 \$ 5,393,157

2. Description of Project Costs to be Paid		
Restricted for future redevelopment project costs		\$ 5,850,403

Total Amount Designated for Project Costs \$ 5,850,403

TOTAL AMOUNT DESIGNATED \$ 11,243,560

SURPLUS*/(DEFICIT) \$ -

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

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

FY 2014

TIF NAME: Goose Island Redevelopment Project Area

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

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

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

PAGE 1

FY 2014

TIF NAME: Goose Island Redevelopment Project Area

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

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			8
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken	\$ 74,871,422	\$ -	\$ 92,913,750
Public Investment Undertaken	\$ 28,069,918	\$ 569,079	\$ 17,350,000
Ratio of Private/Public Investment	2 2/3		5 27/76
Project 1:			
Wm. Wrigley Jr. Company		Project is Ongoing ***	
Private Investment Undertaken			\$ 69,330,000
Public Investment Undertaken	\$ 4,947,460	\$ 502,120	\$ 15,000,000
Ratio of Private/Public Investment	0		4 51/82
Project 2:			
Gooseland Venture LLC		Project Completed	
Private Investment Undertaken	\$ 13,715,707		\$ -
Public Investment Undertaken	\$ 1,212,753		\$ -
Ratio of Private/Public Investment	11 13/42		0
Project 3:			
Republic Windows and Doors		Project Completed	
Private Investment Undertaken	\$ 27,855,715		
Public Investment Undertaken	\$ 10,433,394		
Ratio of Private/Public Investment	2 2/3		0
Project 4:			
River Works LLC		Project Completed	
Private Investment Undertaken	\$ 33,300,000		
Public Investment Undertaken	\$ 1,220,023		
Ratio of Private/Public Investment	27 5/17		0
Project 5:			
Small Business Improvement Fund (SBIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 3,000,000
Public Investment Undertaken	\$ 93,000		\$ 1,500,000
Ratio of Private/Public Investment	0		2
Project 6:			
WaterSaver Faucet - Phase I		Project is Ongoing ***	
Private Investment Undertaken			\$ 14,083,750
Public Investment Undertaken	\$ 163,288	\$ 66,959	\$ 750,000
Ratio of Private/Public Investment	0		18 7/9

Project 7:			
TIFWorks - Goose Island **	Project is Ongoing ***		
Private Investment Undertaken			
Public Investment Undertaken			\$ 100,000
Ratio of Private/Public Investment	0		0

Project 8:			
UI Labs	Project is Ongoing ***		
Private Investment Undertaken (See Instructions)			\$ 6,500,000
Public Investment Undertaken	\$ 10,000,000	\$ -	\$ 10,000,000
Ratio of Private/Public Investment	0		13/20

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

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

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

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

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

General Notes

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

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

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

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

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

SECTION 6

FY 2014

TIF NAME: Goose Island Redevelopment Project Area

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

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

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

_____ The overlapping taxing districts did not receive a surplus.

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

SECTION 7

Provide information about job creation and retention

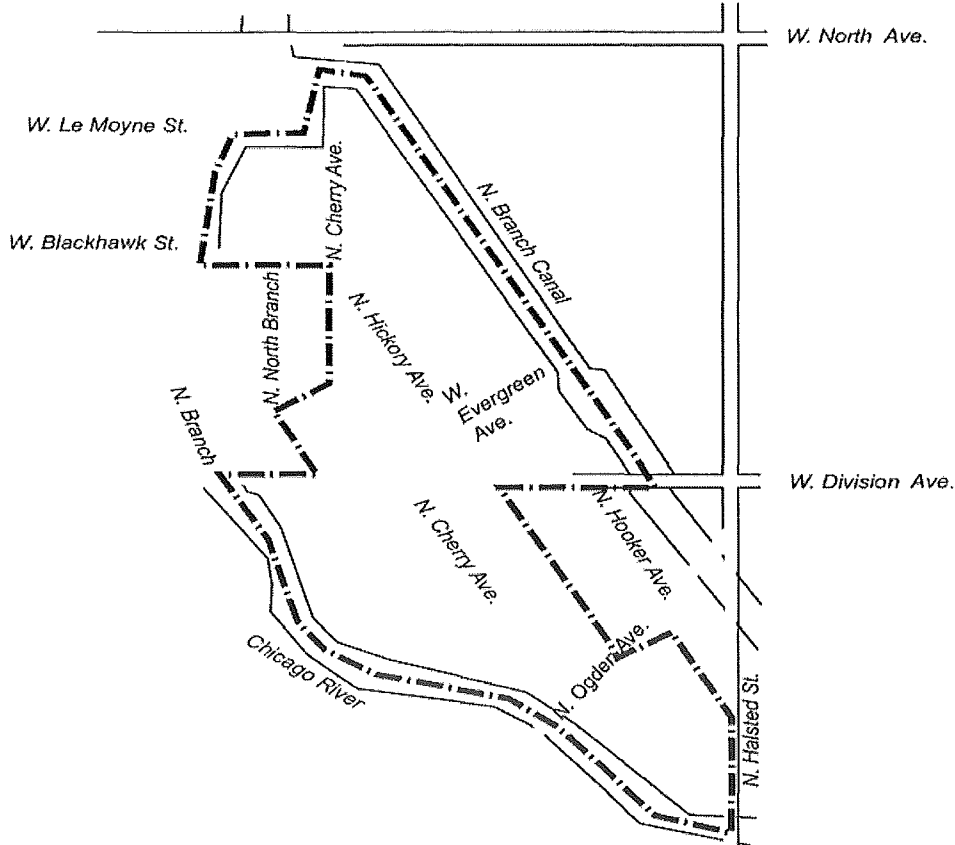
Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

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

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

Goose Island Redevelopment Project Area 2014 Annual Report



STATE OF ILLINOIS)
COUNTY OF COOK)

) SS

Attachment B

CERTIFICATION

TO:

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

Jesse Ruiz
Interim Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60603

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

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

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

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

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

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

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

Attachment B


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

2. During the preceding fiscal year of the City, being January 1 through December 31, 2014, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

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

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

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2015.

Handwritten signature of Rahm Emanuel in cursive script, with the initials 'RE' at the end.

Rahm Emanuel, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW

June 30, 2015

CITY OF CHICAGO

Attachment C

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

Jesse Ruiz
Interim Chief Executive Officer
Chicago Board of Education
42 West Madison Street
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Michael P. Kelly, General Superintendent
& CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

Re: Goose Island
Redevelopment Project Area (the "Redevelopment Project Area")

Dear Addressees:

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

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

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

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

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

Very truly yours,



Stephen R. Patton
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

ATTACHMENT D

Activities Statement

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

<u>Name of Project</u>
UI LABS

UI LABS REDEVELOPMENT AGREEMENT

This UI LABS Redevelopment Agreement (this "Agreement") is made as of November 5, 2014, by and between the City of Chicago, an Illinois municipal corporation (the "City"), by and through its Department of Planning and Development ("DPD"), and UI LABS, an Illinois 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 July 10, 1996: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Goose Island Redevelopment Project Area" (the "Goose Island Plan Approving Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois Designating the Goose Island 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 Goose Island Redevelopment Project Area" (the "Goose Island TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "Goose Island TIF Ordinances"). The redevelopment project area referred to above (the "Goose Island Redevelopment Area") is legally described in Exhibit A1 hereto.

To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on February 5, 1998: (1) An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the North Branch (South) Redevelopment Project Area" (the "North Branch (South) Plan Approving Ordinance"); (2) An Ordinance of the City of Chicago, Illinois Designating the North Branch (South) Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the North Branch (South) Redevelopment Project Area" (the North Branch (South) TIF Adoption Ordinance") (items (1)-(3) collectively referred to herein as the North Branch (South) TIF Ordinances"). The redevelopment project area referred to above (the North Branch (South) Redevelopment Area") is legally described in Exhibit A2 hereto.

D. The Project: Developer has entered into a lease (the "Lease") with Mars IS US, LLC (the "Building Owner"), the owner of certain property within the Goose Island Redevelopment Area located at 1333 North Hickory Avenue, Chicago, Illinois (the "Property"), which Property is improved with an office building (the "Building") operated by the Building Owner. Developer intends to make the Property its primary business location.

Developer is an independent research, training and commercialization center that brings together academic leaders and students with businesses for collaborations that combine research with commercial applications. Within the Developer Space (as defined below), Developer will operate an education and research center for digital manufacturing known as the Digital Manufacturing and Design Innovation Institute that connects to a network of manufacturing research sites across the United States for the purpose of fostering online networks of people, machines and factories in real time collaboration and analysis of large amounts of data during the design and manufacturing process, with the goal of increasing efficiency throughout supply chains.

The Lease commences on or about February 1, 2015, with right of entry to begin on or about September 1, 2014. Developer is leasing approximately 94,470 rentable square feet of space (the "Developer Space") within the Building for an initial period of 10 years (e.g., through January 31, 2025), subject to such early termination rights and renewal rights as are set forth in the Lease (the "Lease Term"). The Property and the Developer Space are legally described on Exhibit B hereto.

Beginning prior to the issuance of the Certificate (as defined herein), and terminating on the date that is 10 years after the date the City issued the Certificate, Developer shall maintain its Primary Office (defined herein) at the Developer Space, as set forth in more detail in Section 8.06 herein.

Developer shall create a substantial public benefit by employing not fewer than 20 full-time equivalent employees, including all senior executive officers and employees, within the Developer Space, during the entire Primary Office Maintenance Compliance Period (as defined in Section 8.06 herein).

Developer shall undertake substantial tenant improvements necessary to permit Developer to take possession of the Developer Space in accordance with the terms of the Lease. The rehabilitation of the Developer Space (including but not limited to those TIF-Eligible Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Rehabilitation Project." The Rehabilitation Project and the use of the Developer Space as the Primary Office for the Primary Office Maintenance Compliance Period are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

Developer hereby acknowledges that the Project and the Term of the Agreement (as defined herein) extend for many years beyond the current expiration date of the Goose Island Redevelopment Area.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Goose Island Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") included in the Plan Approving Ordinance and published at pages 24667-24750 of the Journal of the Proceedings of the City Council for July 10, 1996.

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

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

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

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

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A1 *Goose Island Redevelopment Area
2. Definitions	A2 *North Branch (South) Redevelopment Area
3. The Project	B *Property and Developer Space
4. Financing	C *TIF-Eligible Improvements
5. Conditions Precedent	D [intentionally omitted]
6. Agreements with Contractors	E# Construction Contract
7. Completion of Construction or Rehabilitation	F# Escrow Agreement
8. Covenants/Representations/Warranties of Developer	G Permitted Liens
	H-1 *Project Budget

9. Covenants/Representations/Warranties of the City	H-2	*MBE/WBE Budget
10. Developer's Employment Obligations	I#	Approved Prior Expenditures
11. Environmental Matters	J	Form of Opinion of Developer's Counsel
12. Insurance	K	*Prior Obligations in Goose Island Redevelopment Area
13. Indemnification	L	Jobs Certificate
14. Maintaining Records/Right to Inspect	M	[intentionally omitted]
15. Defaults and Remedies	N	[intentionally omitted]
16. Mortgaging of the Project	O#	Form of Payment Bond
17. Notice		
18. Miscellaneous		
		* indicates which exhibits are to be recorded
		# indicates which exhibits will not be included in the ordinance packet

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.

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

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the RDA during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Primary Office Maintenance Compliance Period (Section 8.06); (2) compliance with the Minimum Jobs Covenant (Section 8.06); (3) compliance with the Jobs Maintenance Compliance Period (Section 8.06); (4) delivery of Financial Statements (Section 8.13); (5) delivery of updated insurance certificates, if applicable (Section 8.14); (6) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (7) delivery of evidence of fulfillment of the LEED Covenant (Section 8.23); and (8) compliance with all other executory provisions of the RDA.

"Available Incremental Taxes from Goose Island Incremental Taxes" shall mean, for each payment, an amount equal to (a) 95% of the Goose Island Incremental Taxes on deposit in the Goose Island 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, minus (b) 100% of the amount of outstanding and committed obligations enumerated in Exhibit K hereto that has been paid or is due to be paid for the calendar year prior to the year in which the City Funds payment is to be made by the City.

"Available Incremental Taxes from Transfer Rights" shall mean an amount equal to 100% of those Goose Island Incremental Taxes deposited into the Goose Island TIF Fund that are attributable to the City's exercise of its Transfer Rights from the North Branch (South) TIF Fund.

"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 and Plans and Specifications or the Project Budget as described in Section 3.02 and Section 3.03, respectively.

"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.

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

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

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

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

"Developer Space" shall have the meaning set forth in the Recitals hereof.

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

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

"Employment Plan" shall have the meaning set forth in Section 5.12 hereof.

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

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

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

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

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

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

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

"Full-Time Equivalent Employee" or "FTE" shall mean a permanent full-time position of Developer (or, with respect to job shares or similar work arrangements, such employees taken collectively) that requires work hours totaling at least 35 hours per week and 1750 work hours per year, including holidays and vacation days, and that is based in the Developer Space during the applicable month. FTE shall not include persons employed as independent contractors, third party service providers or consultants. FTE shall also not include persons employed by Developer, an Affiliate or third parties in positions ancillary to Developer's operations such as food service workers, security guards, cleaning personnel, or similar positions.

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

"Goose Island Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the Goose Island 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 Goose Island TIF Fund.

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

"Goose Island TIF Fund" shall mean that special fund created by the Goose Island TIF Adoption Ordinance.

"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 (i) Goose Island Incremental Taxes and (ii) to the extent the City has exercised its Transfer Rights, North Branch (South) Incremental Taxes.

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

"Jobs Maintenance Compliance Period" shall have the meaning set forth in Section 8.06 hereof.

"LEED Certification" shall mean a Commercial Interiors Certified certification, Edition 2009 version 2.0 (November 2011) under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System maintained by the U.S. Green Building Council, for the Developer Space as a whole.

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

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

"Material Amendment" shall mean an amendment (other than as described in the last sentence of this paragraph) of the Lease the net effect of which is to directly or indirectly do any of the following: (i) materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or

other monetary amounts payable (or monetary credits) under the Lease, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under the Lease; or (ii) shorten the initial term of the Lease or grant additional early termination rights that, if exercised, would shorten the initial term of the Lease. Reductions or expansions of space pursuant to the express expansion or contraction rights granted in the Lease in effect as of the date hereof shall not constitute Material Amendments.

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

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

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

“Minimum Jobs Covenant” shall have the meaning set forth in Section 8.06 hereof.

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

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

“North Branch (South) Incremental Taxes” shall mean such ad valorem taxes which, pursuant to the North Branch (South) 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 North Branch (South) TIF Fund.

“North Branch (South) TIF Adoption Ordinance” shall have the meaning set forth in the Recitals hereof.

“North Branch (South) TIF Fund” shall mean that special fund created by the North Branch (South) TIF Adoption Ordinance.

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

“Primary Office” shall mean that the Developer Space is the sole national corporate office location of all executive offices and operations of (a) Developer or (b) any assignee of Developer or successor mortgagee of the Developer Space that has received the express prior written consent of the City, and therefore that the Developer Space is the primary office location of, at minimum, the following executive positions and titles: the Executive Director, the Chief

Operating Officer, the Chief Financial Officer, the President, the General Counsel, the Corporate Secretary, and similar senior positions of Developer.

"Primary Office Maintenance Compliance Period" shall have the meaning set forth in Section 8.06 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 Rehabilitation Project by line item, furnished by Developer to DPD, in accordance with Section 3.03 hereof.

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

"Redevelopment 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.

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

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

"Tax Division Request" shall have the meaning set forth in Section 8.27 hereof.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending 10 years after the commencement of the Primary Office Maintenance Compliance Period.

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

"TIF-Eligible Improvements" shall mean those improvements of the Rehabilitation 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-Eligible Improvements for the Rehabilitation Project.

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

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

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

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

SECTION 3. THE PROJECT

3.01 The Project. Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction of the Rehabilitation Project no later than 30 days after the date this Agreement is fully executed; and (ii) complete construction and conduct business operations therein no later than 150 days after the date construction commences.

3.02 Scope Drawings and Plans and Specifications. Developer will deliver drafts of the Scope Drawings and Plans and Specifications for the Rehabilitation Project to DPD by September 22, 2014, and will deliver an updated set to DPD by October 20, 2014, for DPD's approval. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Rehabilitation Project.

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Rehabilitation Project in an amount **not less than \$16,500,000**. Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Rehabilitation Project and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Rehabilitation Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of Developer Space by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of Developer Space to a use other than as described in Recital D to this Agreement; (c) a delay in the completion of the Rehabilitation Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Rehabilitation Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required

pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order, and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

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

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

3.08 [intentionally omitted]

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Rehabilitation Project is estimated to be \$16,500,000, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>) In the form of a grant from IL Department of Commerce and Economic Opportunity, or other grants or equity	\$6,500,000
Lender Financing	\$0
City Funds (subject to <u>Section 4.03</u>)	\$10,000,000
ESTIMATED TOTAL	\$16,500,000

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-Eligible Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Eligible Improvements that constitute Redevelopment Project Costs, including, without limitation, costs of TIF-Eligible Improvements incurred prior to the date of this Agreement and that are set forth on Exhibit I hereto. Exhibit C sets forth, by line item, the TIF-Eligible Improvements for the Rehabilitation 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), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

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

<u>Sources of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes from Goose Island Incremental Taxes	
and	\$10,000,000
Available Incremental Taxes from Transfer Rights	

provided, however, that the total amount of City Funds expended for TIF-Eligible Improvements shall be an amount not to exceed the lesser of \$10,000,000 or, if Developer should incur actual Project costs that are less than the Project Budget set forth above (\$16,500,000), then the Maximum Amount of City Funds will be reduced by \$1.00 for every \$1.00 the actual Project comes in below \$16,500,000; and

provided further, however, that the Maximum Amount of City Funds shall be permanently reduced by an aggregate amount not to exceed \$250,000 in the sole discretion of DPD if Developer fails to timely fulfill the LEED Covenant as set forth in Section 8.23 herein; and

provided further, that the \$10,000,000 to be derived from the sources listed above shall be available to pay costs related to TIF-Eligible Improvements and allocated by the City for that purpose only so long as: (i) The amount of the Available Incremental Taxes from Goose Island Incremental Taxes and Available Incremental Taxes from Transfer Rights deposited into the Goose Island TIF Fund shall be sufficient to pay for such costs; and (ii) the City has been reimbursed from Available Incremental Taxes from Goose Island Incremental Taxes and Available Incremental Taxes from Transfer Rights for the amount previously disbursed by the City for TIF-Eligible Improvements, if any.

The City shall use its Transfer Rights as follows:

transfer Available Incremental Taxes From Transfer Rights from the North Branch (South) TIF Fund into the Goose Island TIF Fund as necessary and as available, to the extent that Available Incremental Taxes from Goose Island Incremental Taxes are insufficient, to fund any disbursement of City Funds that is to be made from time to time.

(c) Retainage. Not less than \$1,000,000 of the City Funds shall be withheld by the City until the Certificate is issued.

4.04 Disbursements of City Funds Directly and through the Escrow Agreement. The City and Developer hereby agree to enter into the Escrow Agreement. Except for the first disbursement of City Funds indicated on the table below, which will be made directly by the City to the Developer pursuant to this Agreement, all other disbursements of City Funds shall be made pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

City Funds shall flow through the Escrow Agreement as follows:

Date	Amount	Conditions for Payment
<p>Within 15 days after all the Conditions for this Payment have been fulfilled (Estimated to occur during October, 2014)</p> <p>This payment will be made outside of Escrow</p>	<p>\$1.5 million</p>	<ul style="list-style-type: none"> - evidence that at least \$1.5 million in TIF-Eligible Expenses has been incurred by Developer, and - evidence that the General Contractor and Subcontractors are being timely paid and that their respective lien waivers are current
<p>Within 15 days after all the Conditions for this Payment have been fulfilled (Estimated to occur during December, 2014)</p>	<p>\$4 million</p>	<ul style="list-style-type: none"> - evidence that at least \$5.5 million in TIF-Eligible Expenses has been incurred by Developer, and - evidence of satisfactory interim progress by Developer with respect to MBE, WBE, prevailing wage and City residency requirements, and - evidence that the General Contractor and Subcontractors are being timely paid and that their respective lien waivers are current
<p>Within 15 days after all the Conditions for this Payment have been fulfilled (Estimated to occur during February, 2015)</p>	<p>Not to exceed \$3.5 million</p>	<ul style="list-style-type: none"> - evidence that at least \$9 million in TIF-Eligible Expenses has been incurred by Developer, and - evidence that the General Contractor and Subcontractors are being timely paid and that their respective lien waivers are current
<p>Within 15 days after all the Conditions for this Payment have been fulfilled</p>	<p>The remaining City Funds</p>	<ul style="list-style-type: none"> - evidence that at least \$10 million in TIF-Eligible Expenses has been incurred by Developer, and - evidence of full satisfaction by Developer

		<p>with respect to MBE, WBE, prevailing wage and City residency requirements, and</p> <ul style="list-style-type: none"> - evidence that the General Contractor and Subcontractors are paid and that their respective lien waivers are current, and - DPD having issued its construction close-out letter, and - DPD having issued the Certificate
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The City must receive copies of any draw requests and related documents that are traditionally submitted to the Title Company both for the proposed direct payment and for each disbursement under the Escrow Agreement.

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

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

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

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

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

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

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

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

(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 Rehabilitation Project is In Balance. The Rehabilitation Project shall be deemed to be in balance ("In Balance") only if the total of the available Rehabilitation Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Rehabilitation Project costs incurred or to be incurred in the completion of the Rehabilitation Project. "Available Rehabilitation Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Rehabilitation Project is not In Balance, 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 Rehabilitation Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

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

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to Developer's compliance with the provisions of this Agreement.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Rehabilitation Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Rehabilitation Project.

5.05 Acquisition and Title. [intentionally omitted]

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto:

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

5.07 Surveys. [intentionally omitted]

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

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

5.10 [intentionally omitted]

5.11 Financial Statements. Developer has provided Financial Statements to DPD for its most recent fiscal year.

5.12 Documentation; Employment Plan. Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Rehabilitation Project, including the reports described in Section 8.07. At least 30 days prior to the Closing Date, Developer has met with the Workforce Solutions division of DPD to review employment opportunities with Developer after construction or rehabilitation work on the Rehabilitation Project is completed. On or before the Closing Date, Developer has provided to DPD, and DPD has approved, the Employment Plan for the Project (the "Employment Plan"). The Employment Plan includes, without limitation, Developer's estimates of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as DPD has requested relating to the Project.

5.13 Environmental. [intentionally omitted]

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

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

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

5.16 Leases. Developer shall have delivered to DPD a complete copy of the executed Lease, a completed copy of all other written agreements setting forth Developer's and Building Owner's understandings relating to Developer's relocation to or occupancy of the Developer Space, and any financial agreements between Developer and the Building Owner (whether written or not) in any way relating to the Developer Space or the Lease.

SECTION 6. AGREEMENTS WITH CONTRACTORS

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

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

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

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker 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-Eligible Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon proof provided to DPD's satisfaction:

- (i) that the Developer Space has been completed in accordance with the terms of this Agreement; and
- (ii) that Developer has accurately stated the actual total Rehabilitation Project costs it has expended on the Rehabilitation Project; and
- (iii) that Developer holds a valid certificate of occupancy for the Developer Space; and
- (iv) that Primary Office operations has been established by Developer in the Developer Space in accordance with the terms of this Agreement; and
- (v) that Developer met or exceeded the MBE, WBE, prevailing wage and City residency requirements of this Agreement for the Rehabilitation Project; and
- (vi) that at least 10 FTEs are employed at the Developer Space pursuant to the Minimum Jobs Covenant and demonstrated by the filing of a Jobs Certificate with DPD; and
- (vii) that Developer has not been paid City Funds to date that exceed the amount of TIF-Eligible Improvements actually incurred in connection with the Rehabilitation Project; and
- (viii) that Developer has provided cancelled checks and lien waivers, or the General Contractors' final sworn statement and final lien waiver and invoice, for all amounts referenced in subsections (ii), (v) and (vii) above; and
- (ix) that Developer has provided a written statement of its commitment to timely commence the job readiness program with the Workforce Solutions Unit required under Section 8.26 hereof; and
- (x) that Developer has provided proof that it timely filed the Tax Division Request as required in Section 8.27 hereof;

then, upon Developer's written request, DPD shall issue to Developer, **simultaneously with DPD's release of the final City Funds disbursement from the Escrow**, a Certificate in recordable form (but which shall not be recorded without the Building Owner's written consent) certifying that Developer has fulfilled its obligation to complete the Rehabilitation Project in accordance with the terms of this Agreement. DPD shall respond to Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Rehabilitation Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures.

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

Those covenants specifically described at Sections 8.02, 8.06 and 8.19(c) as covenants that run with the leasehold interest in the Developer Space are the only covenants in this Agreement intended to be binding upon any transferee of the Developer Space (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 the Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

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

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

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

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

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

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

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

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

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

(d) Developer remains bound by the Lease and is not in material breach of any portion of it;

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

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

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

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

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of

operations and financial condition of Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements;

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

(k) [intentionally omitted]

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with this 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 this Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code; and

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

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop, rehabilitate and build out the Developer Space 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 Rehabilitation Project, the Developer Space and/or Developer. This covenant runs with the leasehold interest of the Lease

and is binding upon any transferee of the leasehold interest, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

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

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

8.06 Job Creation and Retention; Covenant to Keep Primary Office Within the City.

(a) Developer shall cause to be created and maintained, not later than the dates set forth herein, the following:

(i) prior to the issuance of the Certificate: create and/or relocate a net total of 10 FTEs at the Developer Space (the "Minimum Jobs Covenant");

(ii) beginning after the issuance of the Certificate, and terminating on the date that is 10 years after the date the City issued the Certificate (the "Jobs Maintenance Compliance Period"): show evidence to the City once annually that not fewer than 20 FTEs are located within the City at its Primary Office, of which the first five years must be at the Developer Space; and

(iii) beginning prior to the issuance of the Certificate, and terminating on the date that is 10 years after the date the City issued the Certificate (the "Primary Office Maintenance Compliance Period"), Developer shall maintain its sole Primary Office within the City, of which the first five years must be at the Developer Space.

(b) Developer shall file a Jobs Certificate, in the form set forth on Exhibit L hereto, with DPD on or before the first day of the month that is one full month after completion of the Rehabilitation Project and on each anniversary of that date thereafter for the Term of the Agreement (in conjunction with the Annual Compliance Report to be filed with DPD on the same dates, as set forth in Section 8.21 hereof), certifying to its compliance with the relevant

provisions of this Section 8.06 for the prior calendar year. Each Jobs Certificate filed with the City shall list the job titles of the FTEs whose primary offices are located at the Developer Space.

(c) Developer shall be entitled to a single one-year cure period (a "Jobs Cure Period") during the Jobs Maintenance Compliance Period; provided, however, that the year of the Jobs Cure Period shall not count toward the required Jobs Maintenance Compliance Period.

(d) The parties agree that, notwithstanding any language in this Agreement to the contrary, there shall be no cure period for a default of the Primary Office Maintenance Compliance Period.

The covenants set forth in this Section 8.06 shall run with the leasehold interest and be binding upon any transferee.

8.07 Employment Opportunity; Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Rehabilitation Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer shall correct any shortfall.

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

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

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

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

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2013 and each year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges.

(a) Payment of Non-Governmental Charges. Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Rehabilitation Project, the Developer Space 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 Developer Space or Rehabilitation Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer shall furnish to DPD, within 30 days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

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

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

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

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

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Developer Space 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 Developer Space. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing; Release. At Developer's expense and on the Closing Date, Developer shall cause a memorandum of this Agreement to be recorded and filed in the office of the Cook County Recorder of Deeds only against the leasehold interest of Developer with respect to the Developer Space, and does not encumber the Property or impose any obligations on the Property owner or on any other occupants of the Property. Upon recording, Developer shall immediately transmit to the City an executed original of the memorandum of Agreement showing the date and recording number of record. These restrictions shall be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof. The City agrees that, upon the earlier to occur of: (i) its receipt of evidence of the termination or expiration of the Lease, or (ii) the termination or expiration of this Agreement, then it shall record a release of the Agreement with the office of the Cook County Recorder of Deeds. Developer shall pay all fees and charges incurred in connection with any such recording.

8.19 Real Estate Provisions.

(a) Governmental Charges.

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

(except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Developer Space or the Project including but not limited to real estate taxes.

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

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

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

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

(c) Real Estate Taxes.

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

(ii) No Reduction in Real Estate Taxes. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of the Agreement, directly or indirectly, initiate, seek, request the Building Owner to seek, or apply for proceedings in order to lower the assessed value of all or any portion of the Developer Space or the Project.

(iii) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, shall object to or in any way seek to interfere with, or request that the Building Owner object to or 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.

(iv) Covenants Affecting the Developer Space. The parties agree that the restrictions contained in this Section 8.19(c) are covenants affecting the Developer Space. These restrictions shall be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof until the termination of the Lease. Developer agrees that any sale, lease, conveyance, or transfer of title to its leasehold interest in all or any portion of the Developer Space from and after the date hereof until the termination of the Lease shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.19(c).

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

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

8.22 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or

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

8.23 LEED Certification. Not later than 12 months after the issuance of the Certificate, Developer shall have provided evidence acceptable to the City (the "LEED Covenant") that LEED Certification has been applied for with the U.S. Green Building Council and is being diligently pursued by Developer. The failure of Developer to timely satisfy the LEED Covenant shall result in a \$250,000 permanent reduction in City Funds that shall be reimbursed by Developer to DPD not later than 13 months after the issuance of the Certificate, regardless whether LEED Certification is later obtained for the Developer Space.

8.24. FOIA and Local Records Act Compliance.

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

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

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

8.25 Limitation on Lease Amendments. Throughout the Term of the Agreement, Developer shall not execute or consent to a Material Amendment without the prior written consent of DPD, which consent shall be in DPD's sole discretion.

8.26 Job Readiness Program. Not later than six months after the completion of the Rehabilitation Project, Developer shall commence and then undertake a job readiness program with the City, through the Workforce Solutions Unit of DPD, to formulate an employment plan for the Project.

8.27 Tax Division Petition. To assist in furthering Developer's covenant not to reduce real estate taxes on the Developer Space, as set forth in Section 8.19(c)(ii) hereof, Developer covenants to file a petition ("Tax Division Request") with Cook County to divide the PIN for the Property so that the Developer Space is given a separate PIN from the remainder of the Property. The Tax Division Request must be made no later than the date Developer makes its written request for the City's issuance of the Certificate.

8.28 Leasehold Title Policy. On the date the Lease or a memorandum thereof is recorded, Developer shall furnish the City with a copy of the title policy for the Developer Space (the "Leasehold Title Policy"), certified by the Title Company, showing fee simple title to the Property in the Building Owner under the Lease, subject to the leasehold interest of Developer under the Lease, with Developer as the insured with respect to the leasehold interest in the Developer Space. The Leasehold Title Policy shall be dated as of the date the Lease or a memorandum thereof is recorded 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 Leasehold 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. Developer shall provide to DPD, on or prior to the date the Lease or a memorandum thereof is recorded, a copy of the executed Lease and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Leasehold Title Policy and any endorsements thereto.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Property (collectively, with Developer, the "Employers" and individually an "Employer") to agree, that for the Term of the Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Rehabilitation 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 Rehabilitation 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 Rehabilitation Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the

"Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Rehabilitation Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit H-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

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

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

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

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

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

[intentionally omitted]

SECTION 12. INSURANCE

Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the Term of the Agreement, the insurance coverage and requirements specified below, insuring all operations related to this 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 is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(b) Construction. Prior to the construction of any portion of the Rehabilitation Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Rehabilitation 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 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 is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post-Construction. All Risk Property Insurance at replacement value of the Developer Space to protect against loss of, damage to, or destruction of the Developer Space. The City is to be named as an additional insured and loss payee/mortgagee.

(d) Other Requirements.

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of the Agreement. Developer must submit evidence of insurance on the City 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 this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of this 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 this Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All

Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

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

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

SECTION 13. INDEMNIFICATION

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

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

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

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

(d) [intentionally omitted]

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

proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

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

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

(i) Developer has not delivered evidence satisfactory to the City of its fulfillment of the LEED Covenant within the time period specified in Section 8.23;

(j) the dissolution of Developer;

(k) the failure of Developer to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds and/or seek reimbursement of any City Funds 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.

Notwithstanding anything to the contrary in the immediately preceding paragraph, the City's sole remedy for failure to meet the LEED Covenant set forth in Section 8.23 shall be the recovery of \$250,000 of City Funds from Developer.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within 30 days of its receipt of a written notice from the

City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day period, Developer 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 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

Notwithstanding anything in this Section 15.03 to the contrary, there shall be no cure period under this Section 15.03 with respect to Developer's failure to comply with requirements of Section 8.06 hereof, except as provided in Section 8.06(c).

SECTION 16. MORTGAGING OF THE PROJECT

[intentionally omitted]

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) teletype or facsimile; (c) overnight courier, or (d) registered or certified mail, return receipt requested.

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>Prior to completion of the Rehabilitation Project:</p> <p>UI LABS 200 East Randolph, Suite 200 Chicago, Illinois 60601 Attention: Executive Director</p> <p>After completion of the Rehabilitation Project:</p> <p>UI LABS 1333 North Hickory Chicago, Illinois 606__ Attention: Executive Director</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>Barnes & Thornburg LLP One North Wacker Drive, Suite 4400 Chicago, Illinois 60606 Attention: Jeffrey P. Gray</p>

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

SECTION 18. MISCELLANEOUS

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

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

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

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

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

any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

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

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

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

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

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

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

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

18.14 Assignment. Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.20 (Survival of Covenants) hereof, for the Term of the

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

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

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

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

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


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

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

UI LABS, an Illinois not for profit corporation

By: 
Its: Executive Director

CITY OF CHICAGO, by and through its Department of Planning and Development

By: _____
Andrew J. Mooney, Commissioner

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.

UI LABS, an Illinois not for profit corporation

By: _____

Its: Executive Director

CITY OF CHICAGO, by and through its Department of Planning and Development

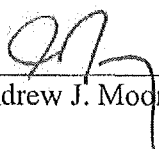
By:  _____
Andrew J. Mooney, Commissioner

EXHIBIT A1

GOOSE ISLAND REDEVELOPMENT AREA

See attached.

Legal Description Of The Area.

That part of the east half of Section 5, Township 39 North, Range 14 East of the Third Principal Meridian, in the City of Chicago, Cook County, Illinois, described as follows:

commencing at the east quarter corner of Section 5 aforesaid, being the centerline intersection of North Halsted Street and West Division Street; thence south along the centerline of North Halsted Street to the northerly seawall of the north branch of the Chicago River; thence northwesterly along said seawall to the west line of North Halsted Street for a point of beginning; thence continuing northwesterly along said seawall to the north line of West Division Street; thence east along said north line, to the east line of North North Branch Street; thence northwesterly along said east line to the south line of West Eastman Street; thence northeasterly along said south line and its extension to the east line of North Cherry Avenue; thence north along said east line to the easterly projection of the south line of Lot 11 in Block 50 in Elston's Addition to Chicago in the west half of the northeast quarter of Section 5 aforesaid; thence west along said projected south line to the southwest corner of Lot 11 aforesaid; thence northerly along the west line of Block 50 to the northwest corner of Lot 4 therein; thence east along the north line of said Lot 4 to the southwest corner of Lot 3; thence north along the west line of Lots 3, 2 and 1 to the northwest corner of Lot 1; thence east along the north line of Lot 1, and along the southerly seawall of the North Branch Canal to the property line between C.M.C. Properties to the west and Waste Management Corporation to the east; thence southerly and southeasterly along said common property line to the north line of West Division Street; thence east along said north line to the westerly seawall of the North Branch Canal; thence southeasterly along said seawall to the south line of West Division Street; thence west along said south line to the easterly line of North Hickory Avenue; thence southeasterly along said easterly line to the said westerly projection of the northerly line of West Haines Street; thence northeasterly along said north line to the westerly line of North Hooker Street; thence southeasterly along said westerly line to the southerly line of West Haines Street; thence northeasterly along said southerly line to the west line of North Halsted Street; thence south along said west line to the point of beginning.

EXHIBIT A2

NORTH BRANCH (SOUTH) REDEVELOPMENT AREA

See attached.

- LEGAL DESCRIPTION

THAT PART OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14, AND SECTION 32 TOWNSHIP 40 NORTH RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF HALSTED STREET WITH THE NORTH SEAWALL OF THE NORTH BRANCH OF THE CHICAGO RIVER; THENCE NORTHERLY, ALONG SAID SEAWALL TO THE NORTHWEST CORNER OF LOT 4, BLOCK 50 IN ELSTON'S ADDITION TO CHICAGO; THENCE EAST TO THE SOUTHWEST CORNER OF LOT 3 IN ELSTON'S ADDITION TO CHICAGO; THENCE NORTH, ALONG THE WEST LINES OF LOTS 3, 2 AND 1 IN ELSTON'S ADDITION TO CHICAGO, TO THE NORTHWEST CORNER OF SAID LOT 1; THENCE EAST ALONG THE NORTH LINE OF LOT 1 AND ALONG THE SOUTHERLY AND WESTERLY SEAWALL OF THE NORTH BRANCH CANAL TO THE NORTHERLY LINE OF EVERGREEN AVENUE EXTENDED WESTERLY; THENCE EASTERLY, ALONG SAID EXTENDED LINE AND THE NORTHERLY LINE OF EVERGREEN AVENUE TO THE EASTERLY LINE OF KINGSBURY STREET; THENCE NORTHERLY, ALONG THE EASTERLY LINE OF SAID KINGSBURY STREET TO THE SOUTH LINE OF THE NORTH 40.0 FEET OF LOT 9 IN BLOCK 7 IN THE SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 8 IN SHEFFIELD'S ADDITION TO CHICAGO, AS EXTENDED WEST; THENCE EASTERLY, ALONG SAID LINE TO A POINT 115.0 FEET EASTERLY OF THE EASTERLY LINE OF KINGSBURY STREET; THENCE NORTHERLY PARALLEL WITH KINGSBURY STREET, 47.0 FEET; THENCE EASTERLY, ALONG THE SOUTH LINE OF THE NORTH 40.0 FEET OF LOT 17 IN BLOCK 7 AND ITS EXTENSION WEST, IN THE SUBDIVISION OF LOTS 1 & 2 IN BLOCK 8 IN SHEFFIELD'S ADDITION TO CHICAGO, TO THE WESTERLY LINE OF MARCEY STREET; THENCE SOUTHERLY, ALONG THE WEST LINE OF MARCEY STREET TO THE WESTERLY EXTENSION OF THE SOUTHERLY LINE OF LOT 7 IN BLOCK 6 IN SAID SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 8 IN SHEFFIELD'S ADDITION TO CHICAGO; THENCE EASTERLY, ALONG SAID EXTENDED LINE AND THE SOUTHERLY LINE OF LOT 7 IN BLOCK 6, THE SOUTHERLY LINE OF LOT 20 IN BLOCK 6 AND ITS EXTENSION EASTERLY TO THE CENTER OF CLYBOURN AVENUE; THENCE NORTHERLY ALONG SAID CENTER OF CLYBOURN AVENUE TO THE CENTER OF WISCONSIN AVENUE; THENCE WESTERLY ALONG SAID CENTER OF WISCONSIN AVENUE TO THE EASTERLY LINE OF MARCEY STREET; THENCE NORTHERLY ALONG THE EASTERLY LINE OF MARCEY STREET TO THE SOUTHWEST CORNER OF LOT 5 IN BLOCK 5 IN THE SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 8 IN SHEFFIELD'S ADDITION TO CHICAGO; THENCE EASTERLY ALONG THE SOUTHERLY LINE OF LOT 5 IN BLOCK 5, LOT 24 IN BLOCK 5 AND ITS EXTENSION EAST, IN SAID SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 8 IN SHEFFIELD'S ADDITION TO CHICAGO, TO THE CENTER OF CLYBOURN AVENUE; THENCE NORTHERLY ALONG THE CENTER OF CLYBOURN AVENUE TO A POINT THAT IS AT RIGHT ANGLES TO THE NORTHEAST CORNER OF TAX PARCEL NO. 14-32-132-011; THENCE WESTERLY AT RIGHT ANGLES TO THE CENTER LINE OF CLYBOURN AVENUE TO THE NORTHEAST CORNER OF SAID TAX PARCEL; THENCE SOUTHWESTERLY ALONG SAID TAX PARCEL AND ITS EXTENSION TO THE EAST LINE OF A PUBLIC ALLEY; THENCE NORTHERLY ALONG SAID ALLEY LINE TO THE CENTER OF VACATED LAKEWOOD AVENUE; THENCE WESTERLY ALONG THE CENTER OF VACATED LAKEWOOD AVENUE TO THE EASTERLY LINE OF KINGSBURY AVENUE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF KINGSBURY AVENUE TO THE SOUTHERLY LINE OF MAGNOLIA AVENUE; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF MAGNOLIA AVENUE, 20.0 FEET; THENCE SOUTHERLY, PARALLEL WITH THE EASTERLY LINE OF KINGSBURY AVENUE TO THE NORTH LINE OF CORTLAND AVENUE; THENCE WEST ALONG THE NORTH LINE OF CORTLAND AVENUE TO THE WEST LINE OF LOT 11 IN BLOCK 2 IN THE SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 8 IN SHEFFIELD'S ADDITION TO CHICAGO EXTENDED NORTH; THENCE SOUTHERLY ALONG THE WEST LINE OF LOT 11 EXTENDED, THE WEST LINE OF LOT 11 AND THE NORTHWESTERLY LINE OF LOT 11 AND ITS EXTENSION TO THE CENTER OF THE NORTH BRANCH OF THE CHICAGO RIVER; THENCE WESTERLY AND NORTHERLY ALONG

THE CENTER OF THE NORTH BRANCH OF THE CHICAGO RIVER TO THE CENTER OF CORTLAND AVENUE; THENCE WEST ALONG THE CENTER OF CORTLAND AVENUE TO THE EAST LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE SOUTHERLY ALONG THE EASTERLY LINES OF THE CHICAGO AND NORTHWESTERN RAILROAD TO THE SOUTH LINE OF DIVISION STREET; THENCE WEST ALONG THE SOUTH LINE OF DIVISION STREET TO THE WEST LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE SOUTH ALONG THE WEST LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD TO ITS INTERSECTION WITH THE WEST LINE OF THROOP STREET; THENCE SOUTH ALONG THE WEST LINE OF THROOP STREET TO THE SOUTH LINE OF CORTEZ STREET AS EXTENDED FROM THE EAST; THENCE EAST ALONG SAID EXTENDED LINE AND THE SOUTH LINE OF CORTEZ STREET TO THE EAST LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD TO THE SOUTH LINE OF A 22.0 FOOT PUBLIC ALLEY IN BLOCK 17 IN ELSTON'S ADDITION TO CHICAGO; THENCE EAST ALONG THE SOUTH LINE OF THE PUBLIC ALLEY TO THE WEST LINE OF A 16.0 FOOT PUBLIC ALLEY IN SAID BLOCK 17; THENCE SOUTH ALONG THE WEST LINE OF THE PUBLIC ALLEY AND ITS EXTENSION SOUTH, TO THE CENTER OF AUGUSTA BOULEVARD; THENCE EAST ALONG THE CENTER LINE OF AUGUSTA BOULEVARD TO THE WEST LINE OF ELSTON AVENUE; THENCE SOUTH ALONG THE WEST LINE OF ELSTON AVENUE TO THE NORTHERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE EASTERLY ALONG THE NORTHERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD TO THE WEST LINE OF MAY STREET EXTENDED NORTH; THENCE SOUTH ALONG SAID LINE AND ALONG THE WEST LINE OF MAY STREET TO THE SOUTH LINE OF FRY STREET; THENCE EAST ALONG THE SOUTH LINE OF FRY STREET TO THE EAST LINE OF CARPENTER STREET; THENCE NORTH ALONG THE EAST LINE OF CARPENTER STREET TO THE SOUTHEASTERLY LINE OF OGDEN AVENUE; THENCE NORTHEASTERLY ALONG THE SOUTHEASTERLY LINE OF OGDEN AVENUE TO THE NORTHERLY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE EAST ALONG THE NORTH LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD TO THE WEST LINE OF HALSTED AVENUE; THENCE NORTH ALONG THE WEST LINE OF HALSTED AVENUE TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM THAT PART DESCRIBED BY BEGINNING AT THE INTERSECTION OF THE CENTER OF NORTH AVENUE AND THE EAST LINE OF THROOP STREET; THENCE NORTH ALONG THE EAST LINE OF THROOP STREET 666.10 FEET TO AN ANGLE IN THROOP STREET; THENCE NORTHEASTERLY 267.30 FEET TO A POINT THAT IS 72.57 FEET NORTHERLY OF THE INTERSECTION OF THE WEST LINE OF MAGNOLIA AVENUE AND THE NORTH LINE OF LOT 29 BLOCK 2 IN THE SUBDIVISION OF PART OF SHEFFIELD'S ADDITION TO CHICAGO RECORDED OCTOBER 22, 1856 EXTENDED WEST; THENCE SOUTHERLY TO SAID POINT OF INTERSECTION; THENCE EAST, ALONG THE EXTENSION OF THE NORTH LINE OF SAID LOT 29, THE NORTH LINE OF LOT 29 AND ITS EXTENSION EAST, TO THE CENTER OF THE NORTH BRANCH OF THE CHICAGO RIVER; THENCE SOUTHERLY ALONG THE CENTER OF THE NORTH BRANCH OF THE CHICAGO RIVER TO THE CENTER OF NORTH AVENUE; THENCE WEST ALONG THE CENTER OF NORTH AVENUE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

EXHIBIT B

PROPERTY and DEVELOPER SPACE

Property

Lots 1 and 2 in Owners Subdivision of all that part of Section 5, Township 39 North, Range 14 East of the Third Principal Meridian, lying South and West of the North Branch Canal, North of Division Street and East of Cherry Avenue, except Block 69 in Elston's Addition to Chicago and except Weed Street and except Hickory Avenue, and except Hooker Street from North line of Division Street to North line of Rees Street and except Rees Street from West line of Hooker Street to East line of Hickory Avenue.

EXCEPT THEREFORM that part of said Lots 1 and 2 which lies Northeasterly and Easterly of the following described line: Beginning on the Southeasterly line of said Lot 2 at a point 123.5 feet Northeasterly from the Southwesterly corner of said Lot 2 and running thence Northwardly along a line parallel with the Southwesterly line and a Northward extension of said Southwesterly line of said Lot 2, a distance of 196.84 feet to a point which is 31.39 feet, measured perpendicularly East from the West line of said Lot 1, and thence Northwardly along a straight line a distance of 157.47 feet to a point on the Northerly line of said Lot 1, which is 12.53 feet measured perpendicularly East from the West line of said Lot 1, all in Cook County, Illinois.

PARCEL 2:

A tract of land comprised of a part of each of Lots 3, 4, 6 and 8 together with all of Lots 11 and 12 all in Owner's Subdivision of all that part of Section 5, Township 39 North, Range 14 East of the Third Principal Meridian, lying South and West of the North Branch Canal, North of Division Street and East Cherry Avenue, except Block 69, Elston Addition to Chicago, and except Weed Street and except Hickory Avenue, and except Hooker Street from the North line of Division Street to the North line of Rees Street, and except Rees Street from the West line of Hooker Street to the East line of Hickory Avenue, lying Southwesterly of the following described line:

Beginning on the Northwesterly line of Lot 9 in said Owner's Subdivision which is 97.29 feet, measured along said Northwesterly line, Northeast from the Northwesterly corner of said Lot 9, said point also being 115.29 feet, measured along the Southeasterly line of lot 8 in said Owner's Subdivision, Northeast from the Southwesterly corner of said Lot 8; thence Northwestwardly along a straight line, a distance of 1544.61 feet to an intersection with the Northwesterly line of said Lot 3 in Owner's Subdivision aforesaid, at a point which is 113.50 feet, measured along said Northwesterly line, Northeast from the Northwesterly corner of said Lot 3, in Cook County, Illinois.

Address: 1333 North Hickory, Chicago, IL 60642
PIN: 17-05-205-020-0000 and 17-05-205-028-0000

Developer Space

Developer's interest as a tenant pursuant to a certain industrial building lease, dated June 2, 2014, between Developer and MARS IS US LLC with respect to approximately 94,470 rentable square feet in that certain building located on the real property legally described above, as shown on the following two pages of drawings.

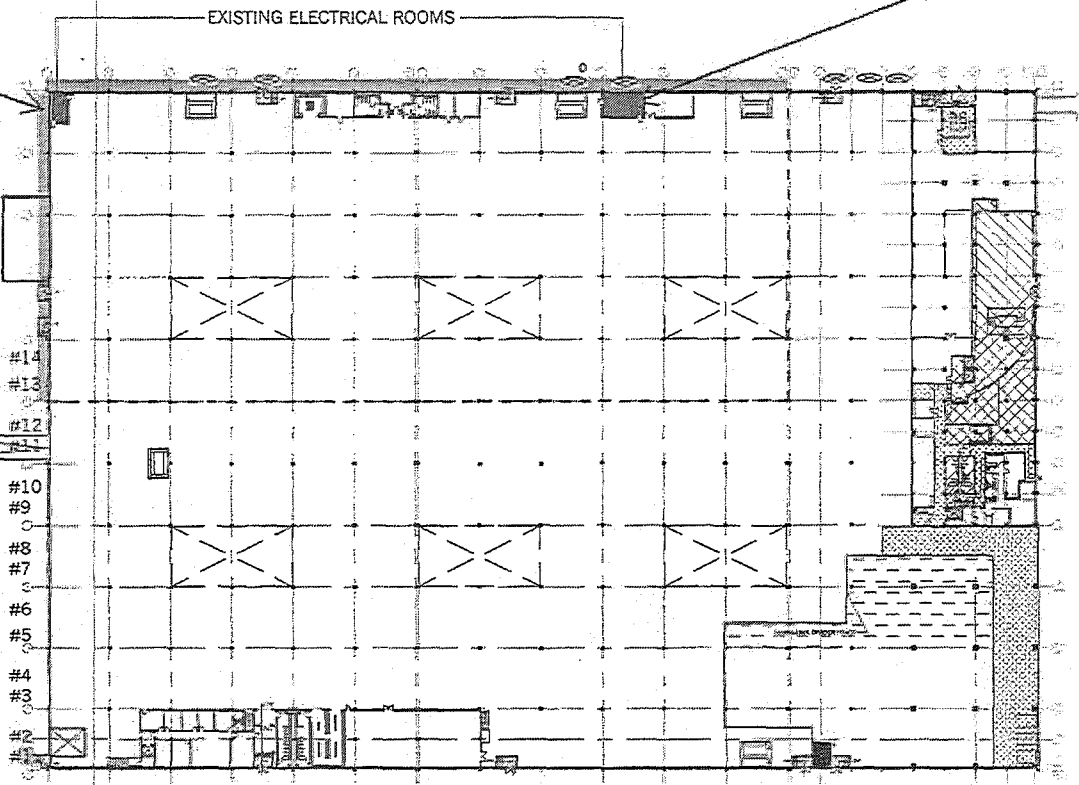
dedicated UI Labs electrical closet

temporary placement of construction
dumpster(s) next to building outside of
dock doors #13 and #14

docks #13 and #14 are
exclusive use for UI
Labs

dock #11 is a shared dock to
be used by all tenants

electrical closet to remain property of
Mars



scale 1/128

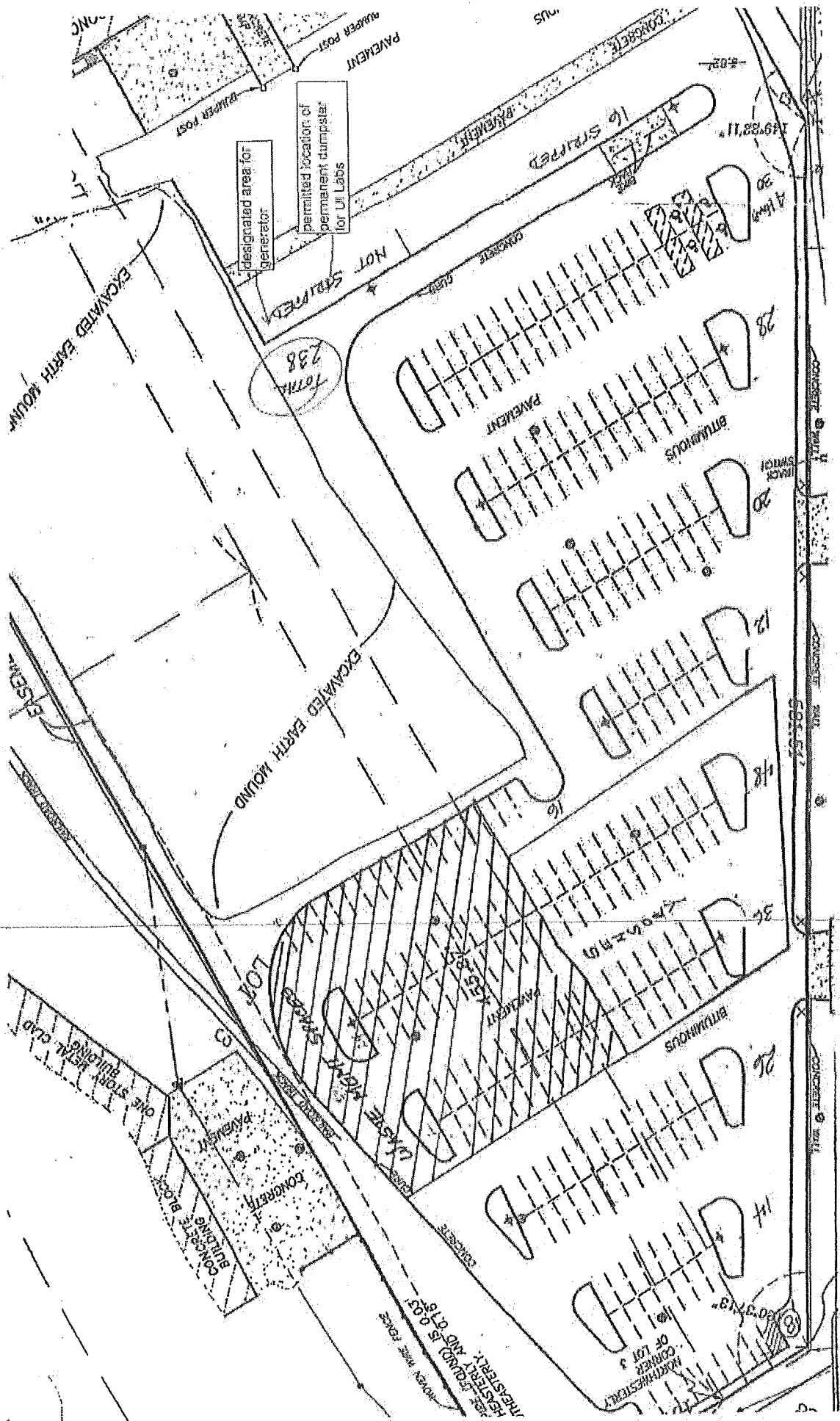


EXHIBIT C

TIF-ELIGIBLE IMPROVEMENTS

<u>Line Item</u>	TIF-Eligible Improvements
Hard Costs	
Drywall, Acoustic & Carpentry	\$1,296,000
Elevators and Escalators	\$0
Concrete Floors (Interior)	\$130,000
Mechanical Systems	\$2,125,000
Thermal and Moisture Protection	\$57,000
Doors and Windows	\$534,000
Site Prep- Earthwork	\$0
Carpet & Painting	\$593,000
Metals	\$695,000
Electrical	\$2,053,000
Structured Cabling Infrastructure	\$500,000
Plumbing	\$534,000
Specialties	\$0
Exterior Concrete	\$0
Landscape	\$0
Pedestrian Access (Public)	\$50,000
Masonry	\$40,000
Asphalt Paving	\$0
Millwork	\$201,000
Fences and Gates	\$30,000
Demolition	\$243,000
Project Sign	\$0
Bike Racks	\$20,000
Hard Cost Contingency	\$0
Total Hard Costs	\$9,101,000
Soft Costs/Fees	
Architecture and Engineering	\$1,500,000
General Contractor Fee	\$117,000
General Conditions	\$308,000
Insurance	\$0
Permits	\$0
Legal, Title, Closing Costs	\$0
Contingency	\$0
Total Soft Costs	\$1,925,000
Furniture	\$0

Equipment	\$0
Total	\$11,026,000

*Notwithstanding the total of TIF-Eligible Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03.

EXHIBIT E

CONSTRUCTION CONTRACT

see attached

EXHIBIT F
ESCROW AGREEMENT

see attached

First American Title Insurance Company
National Commercial Services
30 North LaSalle Street, Suite 2700, Chicago, Illinois 60602
(312) 553-0471 (800) 333-3993 (Fax) 553-0480

Escrow Instructions

Refer to: *Chennie Hernandez*
Phone No.: *312-917-7207*

To: First American Title Insurance Company, Escrowee

Escrow/Title Number: *696411*

Date: ~~October 29, 2014~~ *11/4/2014*

REFERENCE INFORMATION:

Property to be insured: FATCO Commitment No.: *696411*
Effective Date: *10/7/14*

Property Address: Leasehold interest at 1333 North Hickory, Chicago

DEPOSITS:

UI LABS' DEPOSITS:

Jeffrey P. Gray of Barnes & Thornburg LLP, attorney for UI LABS, One North Wacker Drive, Suite 4400, Chicago, IL 60606 (312) 214-8325, hereby deposits the following:
(applicable only if checked)

1. Memorandum of Lease.
2. ~~ALTA Statement.~~
3. Copy of survey.
4. ~~Gap undertaking, if applicable.~~
5. ~~1099S and solicitation/exemption.~~

6. \$ 8,150.00, by CERTIFIED, CASHIER'S CHECK(S) or WIRE TRANSFER (the "UI LABS Deposit").

CITY OF CHICAGO'S DEPOSITS:

Adam R. Walker, Assistant Corporation Counsel, Finance and Economic Development Division, attorney for the City of Chicago (the City"), City Hall, Room 600, 121 N. LaSalle Street, Chicago, IL 60602, (312) 742-5763, hereby deposits the following: (applicable only if checked)

1. Memorandum of Redevelopment Agreement.
2. \$8,500,000, by CERTIFIED, CASHIER'S CHECK(S) or WIRE TRANSFER (the "City Funds"), which City Funds will be deposited by the City through the office of Aarti Kotak (see contact information below), or through any other person authorized by the City, from time to time over the term of this Escrow.

RECORDATION/TITLE REQUIREMENTS:

When UI LABS's deposit no. 1 (Memorandum of Lease) and the City's deposit no.1 (Memorandum of Redevelopment Agreement) are received, Escrowee shall promptly record both memoranda with the Office of the Cook County Recorder, with the Memorandum of Lease being the first to be recorded.

Promptly upon recordation of both memoranda, Escrowee shall require First American Title Insurance Company to issue its regular form of Leasehold Title Insurance Policy, with required endorsement(s) consisting of owner's comprehensive, zoning (3.1 with parking), location, access and survey endorsements, but subject to the usual terms, exclusions, conditions and stipulations contained therein, with extended coverage over general exceptions 1, 2, 3, 4, and 5, for \$16,500,000, insuring the leasehold interest of UI LABS and subject to the following: (applicable only if checked)

1. General taxes for the year 2014 and subsequent years.
2. Permitted exceptions shown on above-referenced commitment as follows: _____
3. Liens and other matters over which FATCO is willing to issue its encroachment and/or policy modification endorsements.

INITIAL DISBURSEMENT/DELIVERY INSTRUCTIONS:

Once the UI LABS Deposit has been received, Escrowee shall proceed as follows for the first disbursement and delivery: (applicable only if checked)

- _____ Pay all escrow, title insurance and recordation charges from the UI LABS Funds.
- _____ Deliver the recorded Memorandum of Lease and a copy of the recorded Memorandum of Redevelopment Agreement to Mr. Gray.
- _____ Deliver a copy of the recorded Memorandum of Lease and the recorded Memorandum of Redevelopment Agreement to Mr. Walker.
- _____ Deliver the leasehold title insurance policy to Mr. Gray and a copy to Mr. Walker.

SUBSEQUENT DISBURSEMENTS INSTRUCTIONS:

Upon the written instructions of

Aarti Kotak, Managing Deputy Commissioner, Bureau of Economic Development, Department of Planning and Development, 121 N. LaSalle Street, Room 1000, Chicago, IL 60602, phone 312-744-0771, email Aarti.Kotak@cityofchicago.org,

or any other person authorized by the City, Escrowee shall release the City Funds to UI LABS from time to time pursuant to the City's written instructions from time to time.

BILLING INSTRUCTIONS:

Bill UI LABS for all costs in connection with this escrow, all recordings and the policy.

In the event the Escrowee is directed to pay all title and escrow charges, and for any reason is unable to pay all or any part of those charges at closing, then those unpaid charges shall be the responsibility of the party designated to make the payment and said payment shall be made within 30 days of closing.

NON-COMPLIANCE PROVISIONS:

In the event all escrow deposits ("deposits") have not been received herein on or before December 31, 2014, Escrowee is hereby directed to continue to comply with the escrow instructions until Escrowee has received a written demand from any party hereto for return of deposits made by said party. Upon receipt of such demand, and without notice to any other party, Escrowee is hereby directed to return all deposits to the respective depositors thereof.

Bill cancellation fee to UI LABS.

INABILITY TO EXECUTE/RECONVEYANCE INSTRUCTIONS:

In the event First American Title Insurance Company ("FATCO") is not prepared to issue its Leasehold Title Insurance Policy as provided herein or Escrowee is not prepared to execute the disbursement and other instructions contained herein on or before 10 days from date of recording/registering, Escrowee is directed to continue to comply with the

escrow instructions until Escrowee is in receipt of a written demand from any party ("demand party") for the return of escrow deposits made by said "demand party". Upon receipt of such demand Escrowee is to return to the "demand party" all deposits made by said party without notice to any other party. All other deposits are to be retained and delivered only upon the sole order of the respective depositors.

STANDARD PROVISIONS

INVESTMENT:

Deposits made pursuant to these instructions may be invested on behalf of any party or parties hereto; provided, however, that any direction to Escrowee for such investment shall be expressed in writing and contain the consent of all other parties to this escrow, and also provided that Escrowee is in receipt of the taxpayer's identification number and investment forms as required. Escrowee will, upon request, furnish information concerning its procedures and fee schedules for investment.

In the event the Escrowee is requested to invest deposits hereunder, First American Title Insurance Company is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investments or redeeming said investment for the purposes of these escrow instructions.

COMMINGLE:

Except as to deposits of funds for which Escrowee has received express written direction concerning investment or other handling, the parties hereto agree that the Escrowee shall be under no duty to invest or reinvest any cash at any time held by it hereunder. The Escrowee shall have the full right, power and authority to commingle any and all cash at any time constituting said deposit or part thereof with its other Escrow funds and all income, if any, derived from any use which the Escrowee may make of any deposits hereunder shall belong to the Escrowee.

BUSINESS DAY:

Whenever under the terms and provisions of these escrow instructions the time for performance of a condition falls upon a Saturday, Sunday, or holiday, such time for performance shall be extended to the next business day.

DEPOSITS AFTER TIME:

The Escrowee shall continue to comply with the instructions contained herein following the expiration of a time limit for making a deposit required pursuant hereto (or for complying with any other condition hereof) until such time as a demand, or further demand as the case may be, is received for the return of deposits. The deposit may be made and accepted (or such other condition may be satisfied) at any time prior to the receipt of such demand, or further demand, and the non-compliance will be cured by the receipt of such deposit (or the satisfaction of such other condition as the case may be).

NON PERFORMANCE:

Unless these escrow instructions contain provisions to the contrary, the Escrowee will not accept a demand from a party if said party has not fully performed as required under these instructions.

WRITTEN NOTICE:

All notices and demands required or permitted to be made hereto shall be made to the Escrowee in writing. All notices required to be served by the Escrowee pursuant to instructions hereto shall be in writing and mailed to the attorneys for the respective parties hereto at the addresses shown herein.

AMENDMENTS OR SUPPLEMENTAL INSTRUCTIONS:

The escrow instructions ("instructions") may be amended from time to time by less than all parties hereto by written amendment deposited with Escrowee, provided that such amendment shall apply to and affect only the parties signing the amendment and the Escrowee shall proceed to comply with the terms of these "instructions" as unamended with respect to all other parties. All amendments or supplemental instructions, properly executed, shall be considered the same as the "instructions".

EXECUTION:

These escrow instructions are governed by and are to be construed under the laws of the State of Illinois. The escrow instructions, amendments or supplemental instructions hereto, may be executed in counterparts, each of which shall be deemed an original and all such counterparts together shall constitute one and the same instrument.

JOINT DEPOSITS:

Any of the joint deposits which require the signature of the other party shall be deemed to have properly deposited by said party notwithstanding that the document does not contain the other party's signature.

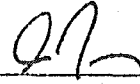
[SIGNATURE PAGES FOLLOW]

The undersigned parties hereby enter into the Escrow Instructions, effective as of the date set forth on the first page hereof.


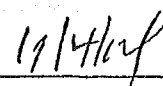
UI LABS

CITY OF CHICAGO

By: _____
Its: Attorney

By:  _____
Its: _____


Accepted: First American Title Insurance Company, Escrowee:

By:  _____ Date:  _____

The undersigned parties hereby enter into the Escrow Instructions, effective as of the date set forth on the first page hereof.

UI LABS

CITY OF CHICAGO

By: 
Its: Executive Director

By: _____
Its: _____

Accepted: First American Title Insurance Company, Escrowee:

By: 

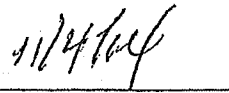
Date: 

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Developer Space:

Those matters set forth as Schedule B title exceptions in the Leasehold Title 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 Rehabilitation Project, other than liens against the Developer Space, if any:

None

EXHIBIT H-1

PROJECT BUDGET

Hard Costs

Drywall, Acoustic & Carpentry	\$1,296,000
Elevators and Escalators	\$0
Concrete Floors (Interior)	\$130,000
Mechanical Systems	\$2,125,000
Thermal and Moisture Protection	\$57,000
Doors and Windows	\$534,000
Site Prep- Earthwork	\$300,000
Carpet & Painting	\$593,000
Metals	\$695,000
Electrical	\$2,053,000
Structured Cabling Infrastructure	\$500,000
Plumbing	\$534,000
Specialties/Curtainwall	\$1,853,000
Exterior Concrete	\$319,000
Landscape	\$150,000
Pedestrian Access (Public)	\$50,000
Masonry	\$40,000
Asphalt Paving	\$0
Millwork	\$201,000
Fences and Gates	\$30,000
Demolition	\$243,000
Project Sign	\$40,000
Bike Racks	\$20,000
Hard Cost Contingency	\$0
Total Hard Costs	\$11,763,000

Soft Costs/Fees

Architecture and Engineering	\$1,500,000
General Contractor Fee	\$117,000
General Conditions	\$308,000
Insurance	\$132,000
Permits	\$50,000
Legal, Title, Closing Costs	\$150,000
Contingency	\$300,000
Total Soft Costs	\$2,557,000

Furniture	\$1,000,000
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Equipment

\$1,180,000

Total

\$16,500,000

EXHIBIT H-2

MBE/WBE BUDGET

Hard Costs

Drywall, Acoustic & Carpentry	\$1,296,000
Elevators and Escalators	\$0
Concrete Floors (Interior)	\$130,000
Mechanical Systems	\$2,125,000
Thermal and Moisture Protection	\$57,000
Doors and Windows	\$534,000
Site Prep- Earthwork	\$300,000
Carpet & Painting	\$593,000
Metals	\$695,000
Electrical	\$2,053,000
Structured Cabling Infrastructure	\$500,000
Plumbing	\$534,000
Specialties/Curtainwall	\$0
Exterior Concrete	\$319,000
Landscape	\$150,000
Pedestrian Access (Public)	\$50,000
Masonry	\$40,000
Asphalt Paving	\$0
Millwork	\$201,000
Fences and Gates	\$30,000
Demolition	\$243,000
Project Sign	\$40,000
Bike Racks	\$20,000
Hard Cost Contingency	\$0
Total Hard Costs	\$9,910,000

Soft Costs/Fees

Architecture and Engineering	\$1,500,000
General Contractor Fee	\$117,000
General Conditions	\$308,000
Insurance	\$0
Permits	\$0
Legal, Title, Closing Costs	\$0
Contingency	\$0
Total Soft Costs	\$1,925,000

Furniture \$0

Equipment \$0

Total **\$11,835,000**

MBE Requirement 24% \$2,840,400

WBE Requirement 4% \$473,400

EXHIBIT 1

APPROVED PRIOR EXPENDITURES

	Invoiced Prior to Closing
Legal & Insurance	\$17,580.01
Architect	\$489,921.41
MEPFP Engineer	\$33,026.11
Network Connectivity Programming	\$24,000.00
Total Prior Expenditures	\$564,527.53

*Note: This Exhibit in no way deems any Prior Project Expenditures as TIF-Eligible Costs or Certified Project Costs.

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[To be retyped on Developer's Counsel's letterhead]

[subject to any revisions that are reasonably acceptable to City's Corporation Counsel]

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

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

(a) _____ Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

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

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

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

In addition to the foregoing, we have examined

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

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

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

Based on the foregoing, it is our opinion that:

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

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

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

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

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

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its 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. To the best of our knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by the Developer or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer is a party or by which the company or its properties is bound.

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

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

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

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

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

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

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

Very truly yours,

By: _____
Name: _____

EXHIBIT K

PRIOR OBLIGATIONS IN GOOSE ISLAND REDEVELOPMENT AREA

Taxable Bond Series 2000
Wrigley Innovation Center
Water Saver Faucet - Phase I
Guardian Equipment
Small Business Improvement Fund
TIF Works

EXHIBIT L

JOBS CERTIFICATE

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

The affiant, UI LABS, an Illinois not for profit corporation (the “Developer”), hereby certifies that with respect to that certain UI LABS Redevelopment Agreement between the Developer and the City of Chicago dated _____, 2014 (the “Agreement”) that, as of December 31, _____ [fill in the year just ended]:

- On that date, _____ FTEs were employed at the Developer Space;
- The Minimum Jobs Covenants was met and maintained during the entire year;
- There has been no default under the Jobs Maintenance Compliance Period covenant;
- Developer maintains its sole Primary Office at the Developer Space and is not in default under the Primary Office Maintenance Compliance Period covenant;

Job Title of Employee	Number of months employed at Developer Space during the year	Paid from Developer Space? (Y or N)	Work hours total at least 35 per week? (Y or N)	Work hours total at least 1750 during the year (Y or N)	Independent contractor, third-party service provider, consultant, or ancillary services employee? (Y or N)

The Developer understands that, pursuant to the Agreement, DPD has the right, at its option, to request and receive additional documentation reasonably evidencing the Developer’s compliance with this certification.

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

UI LABS, an Illinois not for profit corporation

By: _____

Name

Title: _____

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

My commission expires: _____

EXHIBIT O

FORM of PAYMENT/PERFORMANCE BONDS

None

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2014

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the Goose Island Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the Goose Island Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2014, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Goose Island Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bansley and Kiener, L.L.P.

Certified Public Accountants

June 26, 2015

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Goose Island Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2014. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

Condensed Comparative Financial Statements

The condensed comparative financial statements are presented on the following page.

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$3,650,885 for the year. This was an increase of 2 percent over the prior year. The change in net position (net of other financing sources - net) produced a decrease in net position of \$935,382. The Project's net position decreased by 17 percent from the prior year making available \$4,678,708 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

Debt Administration

Tax Increment Allocation Bonds outstanding at December 31, 2014 amounted to \$9,585,000. More detailed information about the Project's long-term liabilities is presented in Note 2 of the financial statements.

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Concluded)

Government-Wide

	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 24,854,957	\$ 17,186,090	\$ 7,668,867	45%
Total liabilities	<u>20,176,249</u>	<u>11,572,000</u>	<u>8,604,249</u>	74%
Total net position	<u>\$ 4,678,708</u>	<u>\$ 5,614,090</u>	<u>\$ (935,382)</u>	-17%
Total revenues	\$ 3,674,151	\$ 3,580,693	\$ 93,458	3%
Total expenses	<u>14,555,143</u>	<u>1,496,169</u>	<u>13,058,974</u>	873%
Other financing sources - net	<u>9,945,610</u>	<u>-</u>	<u>9,945,610</u>	100%
Changes in net position	<u>(935,382)</u>	<u>2,084,524</u>	<u>(3,019,906)</u>	-145%
Ending net position	<u>\$ 4,678,708</u>	<u>\$ 5,614,090</u>	<u>\$ (935,382)</u>	-17%

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2014

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$21,317,245	\$ -	\$21,317,245
Property taxes receivable	3,519,000	-	3,519,000
Accrued interest receivable	18,712	-	18,712
Total assets	<u>\$24,854,957</u>	<u>\$ -</u>	<u>\$24,854,957</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$10,113,883	\$ -	\$10,113,883
Due to other City funds	87,862	-	87,862
Accrued interest payable	357,041	-	357,041
Other accrued liability	32,463	-	32,463
Bonds payable (Note 2):			
Due within one year	-	1,510,000	1,510,000
Due after one year	-	8,075,000	8,075,000
Total liabilities	<u>10,591,249</u>	<u>9,585,000</u>	<u>20,176,249</u>
Deferred inflows	<u>3,020,148</u>	<u>(3,020,148)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for debt service	5,393,157	(5,393,157)	-
Restricted for future redevelopment project costs	<u>5,850,403</u>	<u>(5,850,403)</u>	<u>-</u>
Total fund balance	<u>11,243,560</u>	<u>(11,243,560)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$24,854,957</u>		
Net position (deficiency):			
Restricted for economic development projects		1,031	1,031
Restricted for debt service		8,413,305	8,413,305
Restricted for future redevelopment project costs		<u>(3,735,628)</u>	<u>(3,735,628)</u>
Total net position		<u>\$ 4,678,708</u>	<u>\$ 4,678,708</u>

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$11,243,560
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	3,020,148
Long-term liabilities applicable to the Project's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities are reported in the statement of net position.	<u>(9,585,000)</u>
Total net position - governmental activities	<u>\$ 4,678,708</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Governmental Funds	Adjustments	Statement of Activities
Revenues:			
Property tax	\$ 4,009,433	\$ (358,548)	\$ 3,650,885
Interest	23,266	-	23,266
Total revenues	4,032,699	(358,548)	3,674,151
Expenditures/expenses:			
Economic development projects	13,785,186	-	13,785,186
Debt service:			
Principal retirement	1,500,000	(1,500,000)	-
Interest	769,957	-	769,957
Total expenditures/expenses	16,055,143	(1,500,000)	14,555,143
Excess of expenditures over revenues	(12,022,444)	1,141,452	(10,880,992)
Other financing sources (uses):			
Surplus distribution (Note 3)	(54,390)	-	(54,390)
Operating transfers in (Note 4)	10,000,000	-	10,000,000
Total other financing sources - net	9,945,610	-	9,945,610
Excess of expenditures and other financing uses over revenues and other financing sources	(2,076,834)	2,076,834	-
Change in net position	-	(935,382)	(935,382)
Fund balance/net position:			
Beginning of year	13,320,394	(7,706,304)	5,614,090
End of year	\$ 11,243,560	\$ (6,564,852)	\$ 4,678,708

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental funds	\$ (2,076,834)
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	(358,548)
Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For governmental activities, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.	1,500,000
Change in net position - governmental activities	\$ (935,382)

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In July 1996, the City of Chicago (City) established the Goose Island Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the capital project, debt service and special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). Effective January 2013, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, standardized the presentation of deferred outflows and inflows of resources and their effect on the Project's net position. The financial impact resulting from the implementation of GASB Statement No. 63 is primarily the change in terminology from Net Assets to Net Position. In addition, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented to establish accounting and financial reporting standards that reclassify as deferred inflows of resources, certain items that were previously reported as liabilities and recognizes, as inflows of resources, certain items that were previously reported as liabilities.

Previously, GASB Statement No. 34 (as amended) was implemented and included the following presentation:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under the *modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Position*

Cash and Investments

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Deferred Inflows

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental fund financial statements.

Capital Assets

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. The semi-annual principal and interest payments are made solely from incremental real property taxes, which are paid in the redevelopment district.

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Bonds Payable

In March 2000, the City issued \$16,800,000 of Goose Island Redevelopment Project Tax Increment Allocation Revenue Bonds, Series 2000. The bonds have an interest rate of 7.45 percent and maturity dates ranging from July 1, 2002 to July 1, 2019. Net proceeds of \$16,300,000 were used to finance certain project costs in the Goose Island Redevelopment Project Area (\$14,600,000) and to fund debt service and related reserve accounts (\$1,700,000).

Long-term liability activity for the year ended December 31, 2014 was as follows:

Beginning balance	\$11,085,000
Additions	-
Reductions	<u>(1,500,000)</u>
Ending balance	<u>\$ 9,585,000</u>
Amounts due within one year	<u>\$ 1,510,000</u>

The aggregate maturities of the bonds are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$1,510,000	\$ 714,083
2016	1,620,000	601,588
2017	2,070,000	480,898
2018	2,115,000	326,682
2019	<u>2,270,000</u>	<u>169,115</u>
Total	<u>\$9,585,000</u>	<u>\$2,292,366</u>

Note 3 – Surplus Distribution

In December 2013, the City declared a surplus within the fund balance of the Project in the amount of \$54,390. In June 2014, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

Note 4 – Operating Transfers In

During 2014, in accordance with State statutes, the Project received \$8,000,000 from the contiguous North Branch (South) Redevelopment Project to fund a redevelopment agreement with UI Labs for their development located at 1333 North Hickory Avenue and \$2,000,000 from the contiguous North Branch (South) Redevelopment Project to fund the engineering phase of the Division Street, North Branch Canal Bridge Reconstruction project.

Note 5 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2014, the Project has entered into contracts for approximately \$291,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
GOOSE ISLAND REDEVELOPMENT PROJECT

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 92,067
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	515,181
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	10,068,880
Costs of the construction of public works or improvements	3,109,058
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	<u>2,269,957</u>
	<u>\$ 16,055,143</u>



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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Goose Island Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental funds balance sheet as of December 31, 2014, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 26, 2015.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Goose Island Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

June 26, 2015