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RIVERWORKS, L.L.C. REDEVELOPMENT AGREEMENT

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BY AND BETWEEN

THE CITY OF CHICAGO

AND

RIVERWORKS, L.L.C.,
2133-37 W. ROSCOE BUILDING PARTNERSHIP,
J. MICHAEL DREW, AS TRUSTEE FOR THE DANIEL R. DREW 1998
CHILDRENS' TRUSTS, AND
DANIEL R. DREW, AS TRUSTEE FOR THE J. MICHAEL DREW 1998
CHILDRENS' TRUSTS

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This agreement was prepared by
and after recording return to:
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City of Chicago Law Department
121 North LaSalle Street, Room 600
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Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	Construction Contract
Exhibit F	*Permitted Liens
Exhibit G-1	*Project Budget
Exhibit G-2	MBE/WBE Project Budget
Exhibit H	Approved Prior Expenditures
Exhibit I	Opinion of Developer's Counsel
Exhibit J	Requisition Form
Exhibit K	Form of City Note

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

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Prepared by and
after recording return to:
Steven J. Holler, Esq.
City of Chicago Law Department
121 North LaSalle Street
Room 600
Chicago, IL 60602

RIVERWORKS, L.L.C. REDEVELOPMENT AGREEMENT

This Riverworks, L.L.C. Redevelopment Agreement (this "Agreement") is made as of this 7th day of July, 2000, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Riverworks, L.L.C., an Illinois limited liability company, 2133-37 W. Roscoe Building Partnership, an Illinois general partnership, J. Michael Drew, as Trustee for the Daniel R. Drew 1998 Childrens' Trusts (the "DRD Trusts"), and Daniel R. Drew, as Trustee for the J. Michael Drew 1998 Childrens' Trusts (the "JMD Trusts"), (jointly and severally, 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 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 "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"; (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 "TIF Adoption Ordinance"), (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer has purchased (with Riverworks, Roscoe, the DRD Trusts and the JMD Trusts having fee simple, tenants-in-common interests as of the date hereof of 33.42%, 33.68%, 16.45% and 16.45%, respectively) certain property located within the Redevelopment Area at 910 N. Halsted Street, Illinois 60622 and legally described on Exhibit B hereto (the "Property"). The Developer has completed (a) rehabilitation of an existing 8 story building having approximately 124,000 sq. ft., (b) rehabilitation of an existing adjoining 3 story building having approximately 20,000 sq. ft., and (c) construction of a new building having approximately 30,000 sq. ft., and (d) certain related parking and landscaping improvements (referred to hereinafter collectively as the "Phase I Facility"). The Developer may hereafter elect, to construct a second new building having approximately 88,000 sq. ft. (the "Phase II Facility"). The Phase I Facility now serves as the headquarters for Sara Lee Corporation's bakery operations, including its research and development division, and also includes a cafeteria/deli and a health club. The Phase I Facility and, if constructed, the Phase II Facility, and the related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Phase I Facility, individually, and the Project, in its entirety, would not reasonably be anticipated to have been completed without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Goose

Island Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as Exhibit D, as amended from time to time.

F. Prior TIF Bond Financing: On March 9, 2000, the City issued the Goose Island TIF Bonds (as hereinafter defined) in an aggregate principal amount of \$16,800,000, pursuant to the terms of the Bond Indenture (as hereinafter defined). The Goose Island TIF Bonds are secured by a first lien on (a) Pledged Revenues (as hereinafter defined); (b) all moneys and securities and earnings thereon in certain funds, accounts and sub-accounts established pursuant to the Bond Indenture; and (c) any and all other moneys, securities and property furnished from time to time to the Bond Trustee (as hereinafter defined) by the City or on behalf of the City or by any other persons to be held by the Bond Trustee under the terms of the Bond Indenture (collectively, the "Pledged Security"). In addition, the City has reserved and excluded from the Pledged Security approximately \$250,000 which was on deposit in the Goose Island TIF Fund (as hereinafter defined) on the date on which the Goose Island TIF Bonds were issued (the "Excluded Security"). The Excluded Security has been designated for certain Redevelopment Project Costs. Under the terms of the Bond Indenture, payment of principal of, premium, if any, and interest on, the Goose Island TIF Bonds will be made solely from Pledged Security after payment of (i) Program Expenses (as defined in the Bond Indenture) and (ii) any monies necessary to preserve the tax-exempt interest on applicable Goose Island TIF Bonds in accordance with requirements of Section 148 of the Code (as hereinafter defined). The Developer acknowledges the issuance of the first series of Goose Island TIF Bonds on March 9, 2000, and that the Developer has no claim on any Excluded Security or Pledged Security except for monies which are deposited into the General Account (as hereinafter defined) of the Goose Island TIF Fund and which have not been designated for any other purpose under Section 502(d) of the Bond Indenture, and further subject to the conditions, limitations, requirements, terms and conditions of this Agreement. The Developer further acknowledges that pursuant to the Bond Indenture, the City, from time to time in the future, may issue Additional Bonds, Refunding Bonds or Junior Lien Obligations (as those terms are defined in the Bond Indenture, and collectively referred to herein as the "Senior Lien Obligations") and if and when issued, payment of principal of, premium, if any, and interest on the Senior Lien Obligations would have a prior lien on the Pledged Security over any obligation created under this Agreement. The City agrees that it shall not issue any Senior Lien Obligations unless, in connection therewith, the City Note (as hereinafter defined) is paid in full.

G. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) a portion of the proceeds of the Goose Island TIF Bonds to reimburse Riverworks, as agent

for the Developer, for costs of TIF-Funded Improvements relating to the Phase I Facility, and (ii) a portion of the Excess Incremental Taxes (as hereinafter defined) to reimburse Riverworks, as agent for the Developer, for up to Five Hundred Thousand and No/100 Dollars (\$500,000) in costs for TIF-Funded Improvements relating to the Phase I Facility and for up to Six Hundred Thousand and No/100 Dollars (\$600,000) in costs for TIF-Funded Improvements relating to the Phase II Facility, if constructed, pursuant to the terms and conditions of this Agreement and the City Note.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

"Additional Bonds" shall mean Additional Bonds as defined in the Bond Indenture.

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

"Annual Excluded Amounts" shall have the meaning set forth in Section 4.03(c)(i) hereof.

"Applicable Percentage" shall have the meaning set forth in Section 4.03(c)(ii) hereof.

"Available Excess Incremental Taxes" shall have the meaning set forth in Section 4.03(c)(ii) hereof.

"Bond Indenture" shall mean that certain Trust Indenture dated as of March 1, 2000, from the City to the Bond Trustee, pursuant to which the City has issued the Goose Island TIF Bonds and is authorized to issue the Senior Lien Obligations, and may include any supplemental indenture entered into between the City and the Bond Trustee in connection with the issuance of any

Senior Lien Obligations.

"Bond Trustee" shall mean Cole Taylor Bank, as trustee under the Bond Indenture, and any successor in interest appointed in accordance with the Bond Indenture.

"Certificate" shall mean the Certificate of Completion described in Section 7.01 hereof with respect to the Phase II Facility.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget for the Phase II Facility, as described in Section 3.02, Section 3.03 and Section 3.04, respectively.

"City Fee" shall mean the fee described in Section 4.03(c)(i) hereof.

"City Funds" shall mean the funds described in Section 4.03(b) and paid to Riverworks, as agent for the Developer, (a) on the Closing Date, out of the Goose Island TIF Bond proceeds, with respect to the portion of the Phase I Facility to be financed from such bond proceeds, and (b) from time to time, if at all, out of the Available Excess Incremental Taxes, if any, under the City Note, with respect to Five Hundred Thousand and No/100 Dollars (\$500,000) in additional costs for TIF-Funded Improvements relating to the Phase I Facility and up to Six Hundred Thousand and No/100 Dollars (\$600,000) in costs for TIF-Funded Improvements relating to the Phase II Facility, if such Phase II Facility is constructed.

"City Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (Riverworks, L.L.C. Redevelopment Project) Series 2000, to be in the form attached hereto as Exhibit K, in the maximum principal amount of \$1,100,000, issued by the City to Riverworks, as agent for the Developer, on the date hereof.

"City Public Improvements" shall have the meaning set forth in Section 4.03(c)(i) hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

"Construction Contract" shall mean that certain contract, a copy of which is attached hereto as Exhibit E, between the Developer and the General Contractor relating to the construction of the Phase I Facility.

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

"Declining Letter of Credit" shall mean an irrevocable, direct pay letter of credit issued by a financial institution and in a form reasonably acceptable to the City naming the City as the sole beneficiary. The Declining Letter of Credit shall initially be in the amount of \$900,000. It shall reduce by twenty percent (20%) of such amount on the first anniversary of the Job Creation Date and on each such annual anniversary date thereafter (so that by the fifth anniversary date, the amount shall be zero and the Declining Letter of Credit shall terminate). It shall, by its terms, either renew annually or require the issuer to give the City at least 30 days prior notice of any non-renewal, in which event the Developer shall deliver a replacement Declining Letter of Credit to the City at least 30 days prior to the expiry date of the expiring Declining Letter of Credit.

"Developer Party" shall mean and apply to each of Riverworks, Roscoe, the DRD Trusts and the JMD Trusts, individually, or collectively, as the context may require.

"DRD Trusts" shall mean J. Michael Drew, as Trustee for the Daniel R. Drew 1998 Childrens Trusts, such trusts being created pursuant to the Trust Agreement(s) dated March 25, 1998.

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

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

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) and funds of Sara Lee advanced prior to the date of this Agreement to pay for tenant improvement work and equipment to be paid for by Sara Lee and invested in the

Phase I Facility, in the amount set forth in Section 4.01 hereof.

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

"Excess Incremental Taxes" shall mean Incremental Taxes which are received and deposited into the General Account of the Goose Island TIF Fund on an annual basis during the calendar year and which are available for the financing or payment of Redevelopment Project Costs under Section 502(d) of the Bond Indenture.

"Excluded Security" shall mean approximately \$250,000 which was on deposit in the Goose Island TIF Fund on the date on which the Goose Island TIF Bonds were issued.

"Financial Statements" shall mean financial statements of the Developer or the Project prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, or such other financial statements as may be acceptable to DPD.

"Full-Time Equivalent" shall mean an employee or employees working for Sara Lee Corporation or any other tenant or subtenant leasing or subleasing a portion of the Property who works, individually or in aggregate, an average of 40 hours per week (taking into account personal days and permitted vacations) during a given calendar year.

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

"General Account" shall mean General Account as defined in the Bond Indenture.

"Goose Island TIF Bonds" shall mean the \$16,800,000 aggregate principal amount of Tax Increment Allocation Bonds (Goose Island Redevelopment Project) issued by the City pursuant to the Bond Indenture.

"Goose Island TIF Fund" shall mean the special tax allocation fund created by the City pursuant to the TIF Adoption Ordinance in connection with the Redevelopment Area into which the Incremental Taxes will be deposited for the payment of Redevelopment Project costs and obligations incurred in the payment thereof.

"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.

"Incremental Taxes" shall mean the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Redevelopment Area by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Area over and above the certified initial equalized assessed value of each such piece of property.

"JMD Trusts" shall mean Daniel R. Drew, as Trustee for the J. Michael Drew 1998 Childrens Trusts, such trusts being created pursuant to the Trust Agreement(s) dated March 25, 1998.

"Job Creation Date" shall mean October 1, 1999.

"Junior Lien Obligations" shall mean Junior Lien Obligations as defined in the Bond Indenture.

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

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

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

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

"Net Excess Incremental Taxes" shall have the meaning set forth in Section 4.03(c)(i) hereof.

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

"Outstanding Amount" shall have the meaning set forth in Section 4.03(f) hereof.

"Permitted Liens" shall mean those liens and encumbrances

against the Property and/or the Project set forth on Exhibit F hereto.

"Phase II Completion Date" the date on which the City issues its Certificate with respect to the Phase II Facility.

"Plans and Specifications" shall mean with respect to the Phase I Facility, the final construction documents, and with respect to the Phase II facility, the preliminary plans, for the applicable phase of the Project.

"Pledged Revenues" shall mean Incremental Taxes collected in 1999 and thereafter and any other revenues from any source whatsoever designated to pay principal of, premium, if any, or interest on the Senior Lien Obligations, including, without limitation, amounts on deposit in and pledged to various funds and accounts (other than the Program Expenses Account, the Rebate Account and the Excluded Security) as provided in the Bond Indenture, together with interest earnings thereon.

"Pledged Security" shall have the meaning set forth in Recital F of this Agreement.

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

"Program Expenses" shall mean Program Expenses as defined in the Bond Indenture.

"Program Expenses Account" shall mean the Program Expenses Account as created pursuant to and defined in the Bond Indenture.

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

"Rebate Account" shall mean the Rebate Account as created pursuant to and defined in the Bond Indenture.

"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.

"Refunding Bonds" shall mean Refunding Bonds as defined in the Bond Indenture.

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

"Riverworks" shall mean Riverworks, L.L.C., a limited liability company.

"Roscoe" shall mean 2133-37 W. Roscoe Building Partnership, an Illinois general partnership, the partners of which are Andreas Benatos, Vasilios Benatos and James Mourikes.

"Sara Lee Lease" shall mean that certain lease dated January 15, 1999 by and between the Sara Lee Corporation, a Maryland corporation, as tenant, and Riverworks and Roscoe, jointly and severally, as landlord, as the same may be amended from time to time.

"Scope Drawings" shall mean with respect to (a) the Phase I Facility, the final, and (b) the Phase II Facility, the preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Senior Lien Obligations" shall have the meaning set forth in Recital F of this Agreement.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Project and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the later of: (a) any date to which DPD and the Developer have agreed in writing or (b) July 10, 2019, the date on which the Redevelopment Area is no longer in effect, or December 31, 2020 if the City through appropriate action elects to extend the Redevelopment Area pursuant to Section 5/11-74.4-5 of the Act.

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

"Title Company" shall mean Chicago Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the

Developer as the insured (with tenants-in-common interests as described in Recital D), noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

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

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

SECTION 3. THE PROJECT

3.01 The Project. Prior to the date hereof, the Developer, pursuant to the Plans and Specifications, has completed construction and rehabilitation work of the Phase I Facility and Sara Lee Corporation has commenced business operations in such facility. With respect to the Phase II Facility, if the Developer elects to construct such facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof complete construction no later than December 31, 2001.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications for the Phase II Facility 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 as amended from time to time and all applicable federal, state and local laws, ordinances and regulations. The Developer, with respect to the Phase I Facility, has previously submitted, and with respect to the Phase II Facility, shall submit, all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing actual total costs of Thirty-Seven Million Five Hundred Sixty-Seven Thousand Eight Hundred Eighty-Nine Dollars (\$37,567,889) for the Phase I Facility and projected total costs of not less than Eleven Million Two Hundred Thirty-One Thousand Four Hundred Ninety-Five

Dollars (\$11,231,495) for the Phase II Facility. The Developer hereby certifies to the City that the City Funds for the Phase I Facility, together with Lender Financing and Equity described in Section 4.02 hereof, accurately describe the financing for the Phase I Facility portion of the Project. The Developer further certifies to the City that the Project Budget truly, correctly and completely sets forth the actual project costs for the Phase I Facility portion of the Project and the Developer's estimate of the anticipated costs for the Phase II Facility portion of the Project. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for the Phase II Facility for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. If the Developer elects to construct the Phase II Facility, and subsequent to the City's approval of the final Plans and Specifications for the Phase II Facility, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the square footage of the either the Phase II Facility; or (b) a change in the use of the Phase II Facility to a use other than commercial office, light industrial or other uses or service provided as amenities to the Project or the surrounding community, all to the extent consistent with applicable zoning laws, planned manufacturing district requirements and other governmental requirements; or (c) a delay in the completion of the Phase II Facility. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of Available Excess Incremental Taxes which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Phase II Facility until it 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 and DPD's approval of the form of the Construction Contract.

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written quarterly progress reports detailing the status of the Phase II Facility, 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). The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Phase II Facility portion of the Project. The inspecting agent or architect may perform periodic inspections, providing certifications with respect thereto to DPD.

3.09 Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all 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. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

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

3.12 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a

uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be Forty-Eight Million Seven Hundred Ninety-Nine Thousand Three Hundred Eighty-Four Dollars (\$48,799,384), of which Thirty-Seven Million Five Hundred Sixty-Seven Thousand Eight Hundred Eighty-Nine Dollars (\$37,567,889) represents actual costs for the Phase I Facility and Eleven Million Two Hundred Thirty-One Thousand Four Hundred Ninety-Five Dollars (\$11,231,495) is estimated costs allocable to the Phase II Facility, as set forth in the Project Budget. Such costs shall be funded from the following sources:

Phase I Facility

Equity	\$	4,000,000
Lender Financing	\$	29,167,889
City Funds	\$	4,400,000
ACTUAL TOTAL	\$	37,567,889

Phase II Facility

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$	1,631,495
Lender Financing	\$	9,000,000
Estimated City Funds (subject to <u>Section 4.03</u>)	\$	600,000
ESTIMATED TOTAL	\$	11,231,495

The Developer acknowledges and agrees that because the City Funds payable with respect to the Phase II Facility will not be funded (i.e., the principal amount of the City Note will not be increased) until after the City issues its Certificate for the Phase II Facility, the amount of Equity and/or Lender Financing needed to construct the Phase II Facility will initially need to exceed the amounts set forth above.

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may be used to pay directly or reimburse Riverworks, as agent for the Developer, only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item,

the TIF-Funded Improvements for the Phase I Facility and Phase II Facility, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Section 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

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

PHASE I FACILITY

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Goose Island TIF Bond Proceeds	\$3,900,000
Available Excess Incremental Taxes	500,000*

PHASE II FACILITY

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Excess Incremental Taxes	\$ 600,000*

*plus accrued interest on the principal amount due under the City Note

provided, however, that the total amount of City Funds payable for TIF-Funded Improvements with respect to the Phase II Facility, shall not exceed the lessor of Six Hundred Thousand Dollars (\$600,000) or Five and 34/100 percent (5.34%) of the actual total Phase II Facility Project costs.

(c) Payment of Goose Island TIF Bond Proceeds, City Note and Other Notes. 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: (a) pay Riverworks, as agent for the Developer, \$3,900,000 in City Funds from Goose Island TIF Bond proceeds with respect to the Phase I Facility on the Closing Date; and (b) issue the City Note to Riverworks, as agent for the Developer, on the Closing Date. Payments under the

City Note are subject to the availability of and shall be solely payable from Available Excess Incremental Taxes, as described below.

(i) Net Excess Incremental Taxes. Annual payments of principal and interest on the City Note, the note previously issued or to be issued by the City to Blackhawk, L.L.C. in the principal amount of up to \$14,000,000 (the "Blackhawk Note"), and the note previously issued or to be issued by the City to Republic Windows & Doors, Inc., in the principal amount of up to \$2,500,000 (the "Republic Note") shall be made solely from Net Excess Incremental Taxes. Net Excess Incremental Taxes shall be calculated annually as follows:

On an annual basis, the City will determine the amount of Excess Incremental Taxes in the General Account. The City will then subtract from the Excess Incremental Taxes the following amounts: (1) the annual payment related to the City's obligation to reimburse the City up to an aggregate amount of \$2,000,000 for the costs of certain public improvements within the Redevelopment Area which were paid for with City funds from sources other than Incremental Taxes with the understanding that the City would be reimbursed from Excess Incremental Taxes (the "City Public Improvements")¹, and (2) The reservation of up to \$25,000 annually to be used by the City for payment of administrative costs of the City in connection with the Redevelopment Area (the "City Fee") (collectively, with the City Public Improvements, the "Annual Excluded Amounts"). The amount of Excess Incremental Taxes in the General Account after subtracting the Annual Excluded Amounts shall be referred to as the "Net Excess Incremental Taxes".

(ii) Available Excess Incremental Taxes; Applicable Percentage. The annual payment on the City Note shall be the product of the Applicable Percentage (as hereinafter defined) and

¹Subject to the right of the City to elect to defer any payment, the reimbursement will be made pursuant to the following schedule, and any deficiency in payment caused by the City's election to defer or a lack of sufficient Excess Incremental Taxes will be paid in subsequent years as Excess Incremental Taxes are available (or as the City may otherwise determine): Year 2002- \$300,000; Year 2003- \$350,000; Year 2004- \$400,000; Year 2005- \$450,000; and Year 2006- \$500,000. The City may elect to defer all or any portion of such payments without being deemed to have waived the right to such payment.

the Net Excess Incremental Taxes (the "Available Excess Incremental Taxes"). The Applicable Percentage shall be 1.1/17.6 and has been determined by the City as follows:

The numerator of the Applicable Percentage is equal to the maximum principal amount of the City Note. The denominator of the Applicable Percentage is the maximum aggregate principal amount of all notes that the City has issued and expects to issue for projects in the Redevelopment Area.

(iii) Payment of Available Excess Incremental Taxes. The City agrees to use the Available Excess Incremental Taxes deposited into the General Account on an annual basis to make payments of principal and interest on the City Note. The City may prepay the City Note, in whole or in part, at any time without penalty.

The City Funds to be derived from Goose Island TIF Bond proceeds and Available Excess Incremental Taxes, if any, shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long and to the extent as:

(i) The Bond Trustee has deposited funds into the General Account in accordance with the Bond Indenture; and

(ii) The City has been reimbursed from Goose Island TIF Bond proceeds or Available Excess Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements, if any;

(iii) No act or omission which, with the giving of notice or passage of time or both, would give rise to an Event of Default, has occurred and is continuing;

(iv) The City's obligation to make payments under this Agreement shall not have terminated or been canceled; and

(v) With respect to the payment of any Available Excess Incremental Taxes, the City, shall have determined that such Available Excess Incremental Taxes exist.

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

(d) Funds for Payment. The City may use any other

Incremental Taxes or Excess Incremental Taxes to make payments on the City Note, in its discretion, subject to the requirements of the Senior Lien Obligations.

(e) City Payments. The City is not obligated to pay principal of or interest on the City Note in any year in which there are no Available Excess Incremental Taxes. If at the end of the Term of the Agreement, there is any outstanding unpaid principal amount of and/or interest on the City Note (the "Outstanding Amount"), the Outstanding Amount shall be forgiven in full by the Developer, and the City shall have no obligation to pay the Outstanding Amount after the end of the Term of the Agreement.

4.04 Requisition Form. After the date hereof and throughout the earlier of (i) the Term of the Agreement or (ii) the date that Riverworks, as agent for the Developer, has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein in order to request payments under the City Note. Requisition Forms shall not be submitted more than one time per calendar year (or as otherwise permitted by DPD). The Developer shall meet with DPD at the request of DPD to discuss any Requisition Form(s) delivered to DPD.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Exhibit H hereto sets forth the Prior Expenditures approved by DPD as of the date hereof for the Phase I Facility.

(b) Purchase of Property. A portion of the purchase price of the Property, exclusive of transaction costs, in an amount not to exceed \$2,523,798 shall be reimbursed to Riverworks, as agent for the Developer, from City Funds as a TIF-Funded Improvement as reflected on Exhibit C.

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

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements relating to the Phase II Facility exceeds City Funds available pursuant to Section 4.03 hereof, the Developer shall be solely responsible for such excess costs, and

shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds.

4.07 Cost of Issuance. The Developer shall be responsible for paying all costs relating to the issuance of the City Note including costs relating to the opinion described in Section 5.09(b) hereof.

SECTION 5. CONDITIONS PRECEDENT

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

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

5.02 Scope Drawings and Plans and Specifications. The Developer shall have submitted to DPD, and DPD shall have approved, the Scope Drawings and Plans and Specifications for the Phase I Facility and the Phase II Facility in accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. The Developer shall have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation with respect to the Phase I Facility and shall submit evidence thereof to DPD.

5.04 Financing. The Developer shall have furnished proof reasonably acceptable to the City of the Equity and Lender Financing in the amounts set forth in Section 4.01 hereof. Any liens against the Property in existence at the Closing Date shall be subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Developer shall furnish the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured (with tenants-in-common interests as described in Recital D). The Title Policy shall be dated as of the Closing Date and shall contain only those title exceptions listed as Permitted Liens on Exhibit F hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy shall also contain such

endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer shall provide to DPD, prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Not less than five (5) business days prior to the Closing Date, the Developer, at its own expense, shall have provided the City with current searches under the names of each Developer Party and the names of Riverworks' manager and Roscoe's partners as follows:

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

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

5.07 Surveys. Not less than five (5) business days prior to the Closing Date, the Developer shall have furnished the City with three (3) copies of the Survey.

5.08 Insurance. The Developer, at its own expense, shall have insured the Property in accordance with Section 12 hereof. At least five (5) business days prior to the Closing Date, certificates required pursuant to Section 12 hereof evidencing the required coverages shall have been delivered to DPD.

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

5.10 Evidence of Prior Expenditures. Not less than thirty

(30) days prior to the Closing Date, the Developer shall have provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. Not less than thirty (30) days prior to the Closing Date, the Developer shall have provided Financial Statements to DPD for its 1998 fiscal year, or the Project's calendar year and any interim statements for 1999.

5.12 Documentation. The Developer shall have provided the following documentation to DPD, satisfactory in form and substance to DPD: (a) documentation with respect to current employment matters; (b) all Lender Financing documents; (c) a certified copy of the Sara Lee Lease, and all amendments thereto; (d) an estoppel letter from Sara Lee consistent with Section 17 of the Sara Lee Corporation lease; (e) a subordination agreement in which Sara Lee Corporation acknowledges that its leasehold interest is subordinate to the covenants set forth in this Agreement that run with the land.

5.13 Environmental. Not less than thirty (30) days prior to the Closing Date, the Developer shall have provided DPD with copies of that certain phase I environmental audit completed with respect to the Property. The City reserves the right to terminate negotiations with respect to this Agreement if, in the City's view, such audits reveal the existence of material environmental problems. Prior to the Closing Date, the Developer shall also provide the City with (a) a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits, and (b) a recorded copy of all "no further remediation" letters issued with respect to the Property.

5.14 Corporate Documents. The Developer shall provide a copy of Riverworks' Articles of Organization containing the original certification of the Secretary of State of Illinois; certificates of good standing or existence from the Secretary of State of Illinois and all other states (if any) in which Riverworks is qualified to do business; a manager's and general partner's certificate attaching, among other things, a copy of Riverworks' operating agreement and Roscoe's partnership agreement, as applicable, in such form and substance as the Corporation Counsel may require; copies of the trust agreements for the DRD Trusts and the JMD Trusts and such other documentation as the City may request.

5.15 Litigation. The Developer shall provide to Corporation Counsel and DPD, at least five (5) business days prior to the Closing Date, a description of all pending or threatened litigation or administrative proceedings involving any Developer Party, Riverworks' manager and Roscoe's partners, 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 Preconditions of Disbursement. As a precondition to payment of the City Funds on the Closing Date, the issuance of the City Note and the payment of any Available Excess Incremental Taxes with respect to the City Note, the Developer shall submit documentation of such expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. The Developer's acceptance of the City Funds on the Closing Date and at any date thereafter (including, without limitation, upon delivery by the Developer to DPD after the Closing Date of any Requisition Form) shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such receipt of City Funds, that:

(a) the City Funds to be received represent the actual amount payable to (or previously paid to) the General Contractor and/or subcontractors who have performed work on the applicable portion of the Project, and/or their payees, or is in reimbursement of actual expenditures incurred by the Developer, or interest payable with respect to the principal amount owed under the City Note;

(b) the Developer has approved all work and materials covered by the payment and such work and materials conform to the Plans and Specifications;

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

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

(e) 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;

(f) no default or condition or event which, with the giving of notice or passage of time or both, would constitute an event of default under the Sara Lee Lease (whether on the landlord's part, or the tenant's part) exists or has occurred;

(g) the Commencement Date (as defined in the Sara Lee Lease) has occurred and no default by the landlord under the Sara Lee Lease exists which would permit Sara Lee to terminate its leasehold interest or relieve Sara Lee of any of its obligations under the Sara Lee Lease.

As a precondition to any payment of City Funds, the Developer shall also have satisfied all other obligations of Developer with respect to the Project, including but not limited to requirements set forth in the TIF Bond Ordinance, the Goose Island TIF Bonds, the Bond Indenture, the TIF Ordinances, this Agreement, the City Note and the documents relating to the Lender Financing. Upon the satisfaction of such conditions, the Goose Island TIF Bond proceeds, or Available Excess Incremental Taxes, or such other funds as may be authorized by further City Council action, as applicable, shall be paid to Riverworks, as agent for the Developer. If the City approves Requisition Forms which, in aggregate, exceed the City's maximum reimbursement obligation under Section 4.03, the City shall have the right to take such actions as may be necessary to correct such mistake, including, without limitation, recomputing, reducing and recovering any payments previously made.

The City shall not be obligated to make any payments of City Funds if an Event of Default, or a condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. DPD shall retain the right to approve or reject, in its sole discretion, the designation of any cost as (i) a TIF-Funded Improvement, or (ii) a part of the actual total Project costs. In no event shall DPD be obligated to disburse City Funds from any other source or in any other amount other with respect to either phase of the Project other than the sources or above the maximum amounts determined pursuant to Section 4.03 (b).

The City shall have the right to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, after the date of this agreement, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible

bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

(b) The City hereby consents to the Developer's prior retention of Drew Companies, Inc. or its affiliate Brookhaven Constructors, Inc. as the General Contractor and/or Construction Manager for the Project. The Developer represents and warrants that the fee paid to Drew Companies, Inc. or such affiliate shall be limited to 10% of the total amount of the Construction Contract. The City further acknowledges and agrees that Sara Lee Corporation shall be entitled to retain such contractors and subcontractors as it deems necessary and desirable in connection with the tenant improvement work that it shall perform.

6.02 Construction Contract. Prior to the execution hereof, the Developer has delivered to DPD, and DPD has approved, a certified copy of the Construction Contract with the General Contractor selected to handle the Phase I Facility portion of the Project in accordance with Section 6.01 above. Prior to the execution of this Agreement, the Developer shall deliver to DPD copies of final lien waivers with respect to work performed to date on the Phase I Facility from the General Contractor and all subcontractors who performed work or provided materials for such work.

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

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

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

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Phase II Facility in accordance with the terms of this Agreement, and upon the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete such phase of the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which such phase of the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures. Upon the issuance of such Certificate, the principal amount of indebtedness evidenced by the City Note shall increase by Six Hundred Thousand and No/100 Dollars (\$600,000) in accordance with the terms of the City Note.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the Phase II Facility, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such construction activities have been satisfied. The City, by its execution of this Agreement, hereby certifies that the terms of the Agreement specifically related to the Developer's obligation to complete the construction activities related to the Phase I Facility have been satisfied. After the City's execution of this Agreement (with respect to the Phase I Facility) and issuance of a Certificate, (with respect to the Phase II Facility), 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 neither the City's execution of this Agreement nor its issuance of the Certificate shall 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 Section 8.02, 8.06, 8.19 and 8.20 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03 Failure to Complete Phase II Facility. If the Developer elects to commence construction of the Phase II Facility, and thereafter fails to complete the Project in accordance with the terms of this Agreement, then the City shall have, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and the City Note; and

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds. Once the Developer commences construction of the Phase II Facility, the Developer shall be obligated to complete such Phase II Facility in accordance with the terms of this Agreement and the above rights and remedies shall be applicable.

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

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

8.01 General. The Developer represents, warrants and covenants, as of the date of this Agreement, as of the date of each disbursement of City Funds hereunder and as of the date of each decline in the principal amount of such Declining Letter of Credit) and during the Term of the Agreement that:

(a) Riverworks is an Illinois limited liability company, and Roscoe is an Illinois general partnership, each 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, and the DRD Trusts and JMD Trust have been duly formed and are validly existing;

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

(c) the execution, delivery and performance by each Developer Party of this Agreement has been duly authorized by all necessary limited liability company, partnership and trust action, as applicable, and does not and will not violate Riverworks Articles of Organization or operating agreement, or Roscoe's partnership agreement, or the trust agreements for the DRD Trusts and JMD Trusts, 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 any Developer Party is now a party or is now or may become bound;

(d) unless otherwise permitted pursuant to the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof);

(e) each Developer Party is now and for the Term of the Agreement shall remain solvent and able to pay their respective 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 any Developer Party which would impair such party's ability to perform under this Agreement;

(g) the 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) no Developer Party is in material 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 either is a party or by which such party is bound;

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

(j) prior to the issuance of a Certificate for the Phase I Facility, no Developer Party shall 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 (except in the ordinary course of business) 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) either directly or through a transfer of any direct or indirect ownership interests in such Developer Party); (3) enter into any transaction outside the ordinary course of the Developer Party's business or purposes; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer Party's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate for the Phase I Facility, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property other than the Permitted Liens and liens being contested in accordance with Section 8.15, or incur any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

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

City; and

(m) it shall at all times perform its obligations as landlord under the Sara Lee Lease and shall give notice to the City of any notice of default (whether delivered by the landlord or the tenant) delivered under such lease.

8.02 Covenant to Redevelop. The Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the TIF Bond Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

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

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

8.05 TIF Bonds. The Developer acknowledges that from time to time in the future, the City may issue Additional Bonds, Refunding Bonds or Junior Lien Obligations, and if and when issued, payment of principal of, premium, if any, and interest on such future issuances would have a prior lien on the Pledged Security over any obligation created under this Agreement. The City hereby covenants and agrees that in the future it shall not issue any Senior Lien Obligations unless, in connection therewith, the City Note is paid in full.

If the City does issue Senior Lien Obligations in the future, the Developer agrees, at the request of the City, to cooperate in executing in a timely manner any reasonable amendments to this Agreement or other written undertakings that are necessary or desirable in order for the City to issue (in its sole discretion) any Senior Lien Obligations or other bonds in connection with the Redevelopment Area or Project (or both), the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements and/or prepaying the City Note; provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such bonds, including but not limited to providing written descriptions of the Project,

making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Job Creation and Retention; Covenant to Remain in the City. Not less than Three Hundred (300) Full-Time Equivalent, permanent jobs were created by the Developer at the Project by the Job Creation Date and will be continuously maintained through the tenth (10th) anniversary of the Job Creation Date. As used herein, a "full-time equivalent" employee shall mean an employee or employees who individually or in aggregate work an average of 40 hours per week (taking into personal days and permitted vacations) during any given calendar year. If during any calendar year, the number of such employees drops below Three Hundred (300), but the daily average number of employees during such year is three hundred (300), the Developer shall be deemed to have complied with the covenant in this clause (b). Any City Funds paid to Riverworks, as agent for the Developer, prior to such date shall be deemed to be conditional payments subject to recovery by the City in the event that such job creation covenant is not subsequently satisfied, or is initially satisfied but thereafter breached. The covenants set forth in this Section shall run with the land and be binding upon any transferee. If, after the Job Creation Date, the total number of Full-Time Equivalent permanent jobs should fall below Three Hundred (300), the Developer shall have a one-time, sixty (60) day cure period to remedy such default, during which time (and provided no other Event of Default exists) the City shall not exercise its remedies under this Agreement. If the Developer does not cure such default within such sixty (60) day cure period, the City shall thereafter be entitled to exercise all remedies provided for in this Agreement.

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written 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 on a quarterly basis as part of the progress reports required under Section 3.07. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

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

8.10 Arms-Length Transactions. Unless DPD shall have given its prior written consent with respect thereto, and except as disclosed in Section 6.01(b), no Affiliate of any Developer Party may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to Riverworks, as agent for the Developer, for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or any Developer Party 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 any Developer Party's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. No legal counsel for any Developer party has no direct or indirect financial ownership interest in any such party, the Property or any other aspect of the Project.

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for each Developer Party's and the Project's fiscal year ended December 31, 1998 and each fiscal year thereafter for the Term of the Agreement, or such other financial statements as may be acceptable to the City. In addition, the Developer shall submit unaudited financial statements as DPD may reasonably request.

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

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

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

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

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

8.16 Developer's Liabilities. No Developer Party shall 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 such entity to any other person or entity. The Developer shall immediately notify DPD of any and all events or actions which may materially affect any Developer Party's ability

to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

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

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. If any such mortgage has been recorded prior to the date of this Agreement, such Lender shall execute a limited subordination agreement subordinating the Lender's mortgage lien to the covenants in this Agreement that run with the land. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon any Developer Party, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon any Developer Party or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to any Developer Party, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture

of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

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

(c) Insurance. In addition to the insurance required pursuant to Section 12 hereof, the Developer shall procure and maintain the following insurance:

(i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk

Property Insurance in the amount of the full replacement value of the Property.

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

on or before July 31, 2001.

8.20 Public Benefits Program. As consideration for the City Funds, the Developer shall provide the City with certain public benefits consisting of a one acre landscaped plaza incorporating water features, seating areas, bike racks, ornamental iron fencing, open space designed to foster and encourage the gathering and interaction of tenants in a campus setting. Adjacent to the plaza will be a paved river walk running the length of the Property. This 19 foot wide walk will be bordered with plantings, ornamental iron fencing and bench seating. It will be open to the public and eventually become part of the continuous river walk system. The Developer will, upon the City's request, execute such easement or other agreement as may be necessary or desirable to confirm that such paved river walk is accessible to the public.

8.21 No Business Relationship With City Officials. The Developer acknowledges that it has read and understands Section 2-156-030(b) of the Municipal Code. Pursuant to Section 2-156-030(b) of the Municipal Code, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other city official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code) or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or with any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated hereby, shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer represents and warrants that no violation of Section 2-156-030(b) has occurred with respect to this Agreement, or the transactions contemplated thereby.

8.22 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer, and each Developer Party contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time

of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate and as provided in Section 8.06) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

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

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

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

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

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

10.02 City Resident Construction Worker Employment Requirement. The Developer agrees for itself and its successors

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

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

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

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

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

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

At the direction of DPD, affidavits and other supporting documentation will be required of the Developer, the General

Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

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

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

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

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

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

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

- i. At least 25 percent by MBEs.
- ii. At least 5 percent by WBEs.

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

c. Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

d. The Developer shall deliver quarterly reports to DPD during the Project describing its efforts to achieve compliance

with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD shall have access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

g. Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not in good faith complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

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

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

SECTION 12. INSURANCE

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

(a) Prior to Execution and Delivery of this Agreement

(i) Workers Compensation and Employers Liability Insurance

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

Liability coverage with limits of not less than \$100,000 each accident or illness.

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or transit property, Contractor shall provide, or cause to be provided with respect to the operations that the Contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy shall 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) Builders Risk Insurance

When the Contractor undertakes any construction, including improvements, betterments, and/or repairs, the Contractor shall 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 permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. The City of Chicago shall be named as an additional insured and loss payee.

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

(c) Other Requirements

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

The insurance shall 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 and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer.

The Developer agrees that insurers shall waive rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within the Agreement documents or by law.

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under the Agreement.

The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

The Developer shall require the contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the Contractor, or subcontractors. All Contractors and subcontractors shall be subject to the same requirements (Section C) of Developer unless otherwise specified herein.

If the Developer, Contractor or subcontractor desires additional coverages, the Developer, Contractor and each subcontractor shall be responsible for the acquisition and cost of such additional protection.

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

SECTION 13. INDEMNIFICATION

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) the Developer's failure to comply

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against any Developer Party or for the liquidation or reorganization of such entity, or alleging that such entity is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of such entity'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 such entity; 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 any Developer Party (other than the appointment of successor trustees under the DRD Trusts and the JMD Trusts) or any substantial part of such entity's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of such entity; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

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

(h) the occurrence of an event of default under the Lender

Financing, which default is not cured within any applicable cure period;

(i) the dissolution, winding or liquidation of any Developer Entity or the death of any natural person (other than a Drew child) who owns a material interest in such entity;

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

(k) a breach of the job creation covenant set forth in Section 8.06.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a "material interest" shall be one owning directly or indirectly in excess of thirty-three percent (33%) of the entity's ownership interests or having management control over such entity.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, may suspend disbursement of, may recover any City Funds previously paid to Riverworks, as agent for the Developer, and may draw upon the Declining Letter of Credit. The City may also, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. Notwithstanding the preceding two sentences, the City shall only be entitled to recover City Funds previously paid to the Developer if no Goose Island TIF Bonds or other tax-exempt bonds are outstanding, the proceeds of which have been used as a source of City Funds, or the City otherwise concludes that any such reimbursement would not jeopardize the tax-exempt status of such bonds.

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

Agreement expressly provides a separate cure period (or no cure period), an Event of Default shall not be deemed to have occurred unless the Developer or Sara Lee shall have failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period (but expressly excluding the job creation covenant in Section 8.06, which shall have the cure period described therein), the Developer shall not be deemed to have committed an Event of Default under this Agreement if it or Sara Lee has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

SECTION 16. MORTGAGING OF THE PROJECT

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

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

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

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

SECTION 17. NOTICE

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

If to the City: City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

With Copies To: City of Chicago
Department of Law
Finance and Economic Development
Division
121 North LaSalle Street, Room 600
Chicago, IL 60602

If to the Developer: Riverworks, L.L.C.
c/o Drew Group, Inc.
1333 N. Kingsbury
Chicago, Illinois 60622

With Copies To: Earl L. Neal & Associates
111 W. Washington, Suite 1700
Chicago, Illinois 60602
Attn: Richard F. Friedman

Sara Lee Bakery
910 N. Halsted Street
Chicago, Illinois 60622

Sara Lee Corporation
3 First National Plaza
47th Floor

Chicago, Illinois 60602
Attn: John Witzig

Donald Resnick, Esq.
Jenner & Block
One IBM Plaza
Chicago, Illinois 60611

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 Exhibits A and D hereto without the consent of any party hereto.

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

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

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

18.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular

default, except to the extent specifically waived by the City or the Developer in writing.

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

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

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

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

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

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

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, 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.

18.15 Assignment. No Developer Party may sell, assign or otherwise transfer its interest in this Agreement or the City Note in whole or in part without the written consent of the City. Notwithstanding the granting of any such consent, any successor in interest to any Developer Party under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement for the Term of the Agreement. The Developer may, upon written notice to the City, pledge or assign the City Note for collateral purposes only to a Lender. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon each Developer Party, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of each Developer Party, the City and their respective successors and permitted assigns (as provided herein).

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

18.18 Exhibits. The Limited Joinder executed by Sara Lee, and all of the exhibits attached hereto are incorporated herein by reference.

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act, the Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of

the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

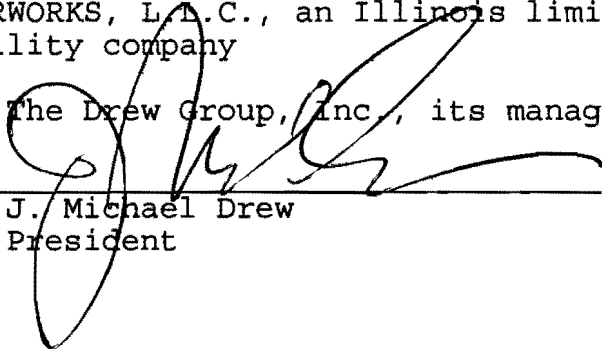
18.20 No Third Party Beneficiary. The only intended beneficiaries of this Agreement are Riverworks, Roscoe, the DRD Trusts, the JMD Trusts and the City and their respective permitted successors and permitted assigns. Neither Sara Lee Corporation nor any other person or entity is an intended third party beneficiary of this Agreement.

18.21 Joint and Several Liability. The obligations of Riverworks, Roscoe, the DRD Trusts and the JMD Trusts under this Agreement are joint and several. All representations, warranties, covenants, indemnifications and other obligations of the Developer under this Agreement shall be deemed to have been individually given and made by each Developer Party. A default by any Developer Party hereunder shall constitute a default by the Developer and shall entitle the City to exercise the remedies provided for herein against the Developer Parties, jointly and severally.

18.22 City Right to Deal Exclusively With Riverworks. Notwithstanding Section 18.21 or anything else in this Agreement, the City, in making payments, delivering notices, issuing certificates shall be entitled to make such payments, deliver such notices and issue such certificates solely to Riverworks, as agent for Roscoe, the DRD Trusts and the JMD Trusts. The City shall be hereafter entitled to rely on any representation, warranty, covenant, indemnification and other undertaking by Riverworks, as agent for all the Developer Parties, as being the representation, warranty, covenant, indemnification and other undertaking of each and every Developer Party. Roscoe, the DRD Trusts and the JMD Trusts hereby designate and acknowledge and agree that Riverworks shall act as each such party's agent with respect to all such matters.

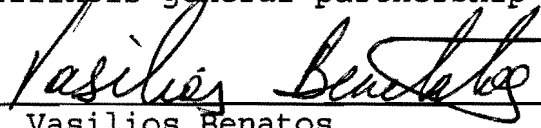
IN WITNESS WHEREOF, the parties hereto have caused this
Redevelopment Agreement to be executed on or as of the day and
year first above written.

RIVERWORKS, L.L.C., an Illinois limited
liability company

By:  The Drew Group, Inc., its manager

By: _____
J. Michael Drew
President

2133-37 W. ROSCOE BUILDING PARTNERSHIP,
an Illinois general partnership

By:  _____
Vasilios Benatos
General Partner

DANIEL R. DREW 1998 CHILDRENS'
TRUSTS


By:  _____
J. Michael Drew, as Trustee


J. MICHAEL DREW 1998 CHILDRENS'
TRUSTS

By:  _____
Daniel R. Drew, as Trustee

[CITY SIGNATURE APPEARS ON NEXT PAGE]

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

By: 

Christopher Hill
Commissioner 

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Karen M. DiVenere, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that J. Michael Drew, personally known to me to be the president of The Drew Group, Inc., on its own behalf and in its capacity as the manager (the "Manager") of Riverworks, L.L.C., an Illinois limited liability company (the "Company"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Manager, as his free and voluntary act and as the free and voluntary act of the Manager, on its own behalf and in its capacity as the manager of the Company, for the uses and purposes therein set forth.

[Signature] GIVEN under my hand and official seal this 11 day of July, 2000.
Karen M. DiVenere
Notary Public

My Commission Expires 6/18/04

(SEAL)



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Karen M. Divenere, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Vasilios Benatos, personally known to me to be a general partner of 2133-37 W. Roscoe Building Partnership, an Illinois general partnership (the "Partnership"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the partners of the Partnership, as his free and voluntary act and as the free and voluntary act of the Partnership, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 4 day of July, 2000.

Karen M. Divenere
Notary Public

My Commission Expires 6/18/04

(SEAL)



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Karen M. DiVenere, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that J. Michael Drew, personally known to me to be the Trustee of the Daniel R. Drew 1998 Childrens' Trusts (the "Trusts"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him under the trust agreement(s) for said Trusts, as his free and voluntary act and as the free and voluntary act of the Trusts, for the uses and purposes therein set forth.

July GIVEN under my hand and official seal this 11 day of
July, 2000.

Karen M. DiVenere
Notary Public

My Commission Expires 6/18/04

(SEAL)



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Karen M. DiVenere, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Daniel R. Drew, personally known to me to be the Trustee of the J. Michael Drew 1998 Childrens' Trusts (the "Trusts"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him under the trust agreement(s) for said Trusts, as his free and voluntary act and as the free and voluntary act of the Trusts, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 11 day of July, 2000.

Karen M. DiVenere
Notary Public

My Commission Expires 6/18/04

(SEAL)

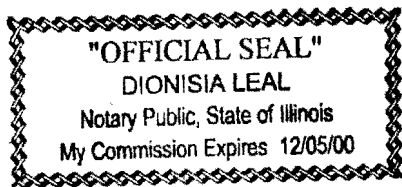


STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

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

GIVEN under my hand and official seal this 30th day of August, 2000.

Dionisia Leal
Notary Public



My Commission Expires 12/05/00

EXHIBIT A

REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

(Goose Island Redevelopment Project 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 N. Halsted Street and W. Division Street; thence South along the centerline of N. 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 Division Street; thence East along said North line, to the East line of Branch Street; thence Northwesterly along said East line to the South line of Eastman Street; thence Northeasterly along said South line and its extension to the East line of 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 CMC 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 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 Division Street; thence West along said South line to the Easterly line of Hickory Avenue; thence Southeasterly along said Easterly line to the Westerly projection of the Northerly line of Haines Street; thence Northeasterly along said North line to the Westerly line of Hooker Street; thence Southeasterly along said Westerly line to the Southerly line of 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 B

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1

ALL THAT PART OF LOTS 11, 12 AND 13 LYING NORTH OF THE FOLLOWING DESCRIBED LINE, TO WIT:

BEGINNING AT A POINT IN THE EAST LINE OF SAID LOT 13, WHICH IS 269.55 FEET SOUTH OF THE NORTHEAST CORNER OF SAID LOT; THENCE, NORTHWESTERLY ALONG A LINE FORMING AN ANGLE OF 83 DEGREES 30 MINUTES WITH THE EAST LINE OF SAID LOT, AS MEASURED FROM NORTH TO NORTHWEST, A DISTANCE OF 196.46 FEET; THENCE CONTINUING NORTHWESTERLY ON A DEFLECTION OF 33 DEGREES FROM WEST TOWARD THE NORTH FROM THE LAST DESCRIBED LINE TO AN INTERSECTION WITH THE WEST LINE OF LOT 11 AFORESAID, WHICH IS 297.5 FEET SOUTHWESTERLY FROM THE NORTHWEST CORNER OF SAID LOT 11; TOGETHER WITH THAT PART OF LOT 10 DESCRIBED BY BEGINNING AT THE NORTHEAST CORNER OF SAID LOT; THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF SAID LOT, A DISTANCE OF 20.00 FEET; THENCE SOUTHWESTERLY PARALLEL WITH THE EASTERLY LINE OF SAID LOT, A DISTANCE OF 100.00 FEET; THENCE SOUTHEASTERLY PARALLEL WITH THE EASTERLY LINE OF SAID LOT, A DISTANCE OF 20.00 FEET TO A POINT ON THE EASTERLY LINE THEREOF; THENCE NORTHWESTERLY ALONG SAID EASTERLY LINE A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING; (EXCEPT FROM THE ABOVE MENTIONED LOT 13, ALL THAT PART OF THE EAST 28.50 FEET THEREOF LYING SOUTH OF A LINE DRAWN AT RIGHT ANGLES TO THE EAST LINE OF SAID LOT THROUGH A POINT 226.30 FEET SOUTH OF THE NORTHEAST CORNER THEREOF), ALL IN BLOCK 80 IN ELSTON'S ADDITION TO CHICAGO IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2

LOTS 6 TO 10 IN BLOCK 81 IN ELSTON'S ADDITION TO CITY OF CHICAGO, A SUBDIVISION OF THE EAST ½ OF THE SOUTHEAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3

LOTS 14 TO 16 AND THE SOUTHEASTERLY 7 FEET OF LOT 17 IN BLOCK 81 IN ELSTON'S ADDITION TO CITY OF CHICAGO IN SECTIONS 4 AND 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4

LOTS 1 TO 5 IN BLOCK 81 IN ELSTON'S ADDITION TO CITY OF CHICAGO, A SUBDIVISION OF THE EAST ½ OF THE SOUTHEAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXHIBIT C

**TIF-FUNDED IMPROVEMENTS
(Phase I)**

Line Item	Cost
Property acquisition; land assembly	\$1,800,000
Rehabilitation, reconstruction or repair and remodeling of existing buildings and fixtures	\$2,600,000
TOTAL	\$4,400,000

**TIF-FUNDED IMPROVEMENTS
(Phase II)**

Line Item	Cost
Property acquisition; land assembly	\$600,000
TOTAL	\$600,000

In no event will the amount of City assistance pursuant to this Agreement exceed Five Million and No/100 Dollars (\$5,000,000) for TIF-eligible activities. City Funds are described in Section 4.03(b) of the Agreement.

NOTE: DPD's execution of the Redevelopment Agreement reflects DPD's consent to the above allocations (which differ from those set forth in Exhibit C at the time City Council approval), consistent with Section 4.05(c) of the Redevelopment Agreement, which permits such reallocations.

EXHIBIT D

REDEVELOPMENT PLAN

[Omitted For Recording Purposes]

EXHIBIT E

CONSTRUCTION CONTRACT

[Omitted For Recording Purposes]

EXHIBIT F

Permitted Liens

- AL. TAXES FOR THE YEARS(S) 1999 AND 2000
2000 TAXES ARE NOT YET DUE OR PAYABLE

PERM TAX #

17-05-409-007-0000
17-05-410-003-0000
17-05-410-010-0000
17-05-410-012-0000
17-05-410-013-0000
17-05-410-014-0000
17-05-410-016-0000
17-05-410-017-0000

- B. CONSTRUCTION MORTGAGE AND ASSIGNMENT OF LEASE AND RENTS AND SECURITY AGREEMENT DATED FEBRUARY 22, 1999 AND RECORDED MARCH 2, 1999 AS DOCUMENT 99197660 MADE BY RIVER WORKS, L.L.C., AN ILLINOIS LIMITED LIABILITY COMPANY, 2133-37 WEST ROSCOE BUILDING PARTNERSHIP, AN ILLINOIS GENERAL PARTNERSHIP, DANIEL R. DREW TRUSTEE OF THE J. MICHAEL DREW 1998 CHILDRENS' TRUSTS, AND J. MICHAEL DREW, TRUSTEE OF THE DANIEL R. DREW 1998 CHILDRENS' TRUSTS, TO CIB BANK, TO SECURE A NOTE FOR \$24,229,500.00
- C. SECURITY INTEREST OF CIB BANK, SECURED PARTY, IN CERTAIN DESCRIBED CHATTELS ON THE LAND, AS DISCLOSED BY FINANCING STATEMENT EXECUTED BY RIVER WORKS, L.L.C. , DEBTOR, AND FILED MARCH 2, 1999 AS DOCUMENT NO. 99U01926.
- E. EXISTING UNRECORDED LEASES AND ALL RIGHTS THEREUNDER OF THE LESSEES AND OF ANY PERSON OR PARTY CLAIMING BY, THROUGH OR UNDER THE LESSEES.
- O. LEASE MADE BY RIVER WORKS, L.L.C., AN ILLINOIS LIMITED

LIABILITY COMPANY, AND 2133-37 W. ROSCOE BUILDING PARTNERSHIP, AN ILLINOIS GENERAL PARTNERSHIP, TO SARA LEE CORPORATION , A MARYLAND CORPORATION DATED AS OF JANUARY 15, 1999, A MEMORANDUM OF WHICH WAS RECORDED FEBRUARY 18, 1999 AS DOCUMENT NO. 99162946, AS AMENDED, DEMISING THE LAND FOR A TERM OF 15 YEARS, AND ALL RIGHTS THEREUNDER OF, AND ALL ACTS DONE OR SUFFERED THEREUNDER BY, SAID LESSEE OR BY ANY PARTY CLAIMING BY, THROUGH, OR UNDER SAID LESSEE.

- P. TERMS AND PROVISIONS OF THE RIGHT TO FIRST OPTION TO PURCHASE THE LAND IN FAVOR OF SARA LEE CORPORATION , A MARYLAND CORPORATION, AS CONTAINED IN THE INSTRUMENT RECORDED FEBRUARY 18, 1999 AS DOCUMENT NO. 99162946.
- R. RIGHTS OF THE UNITED STATES OF AMERICA, THE SANITARY DISTRICT OF CHICAGO, THE STATE OF ILLINOIS, THE CITY OF CHICAGO AND THE PUBLIC IN AND TO THAT PART OF LOTS 11, 12 AND 13 AFORESAID FALLING IN THE BED OF THE NORTH BRANCH OF THE CHICAGO RIVER, AND TO THE FREE AND UNOBSTRUCTED FLOW OF THE WATERS OF SAID RIVER.
- T. POSSIBLE RIGHTS AND INTEREST OF THE METROPOLITAN SANITARY DISTRICT OF GREATER CHICAGO, AS DISCLOSED BY FLOOD CONTROL ATLAS.
- U. COVENANTS, CONDITIONS AND RESTRICTIONS CONTAINED IN THE DECLARATION OF RESTRICTIVE COVENANTS DATED JULY 29, 1998 AND RECORDED AUGUST 5, 1998 AS DOCUMENT NUMBER 98687581 STATING THAT THE LAND WILL NEVER BE SUBMITTED TO THE TERMS AND PROVISIONS OF THE CONDOMINIUM PROPERTY ACT OF THE STATE OF ILLINOIS.
- V. AGREEMENT RELATING TO THE USE OF AN ALLEY, DATED JUNE 13, 1963, MADE BETWEEN NATIONAL TEA COMPANY, A CORPORATION OF ILLINOIS, AND H. ELKAN AND CO., A CORPORATION OF ILLINOIS, RECORDED JUNE 13, 1963 AS DOCUMENT 18828126.
- X. RIGHTS OF PARTIES TO MAINTAIN BURIED AMERITECH CABLE, IF ANY, AS DISCLOSED BY SURVEY NO. 98-90/98-182 DATED MAY 10, 2000 MADE BY MCTIGUE & SPIEWAK, INC.

AJ. MATTERS OF SURVEY NO. 98-90/98-182 DATED MAY 10, 2000 MADE BY MCTIGUE & SPIEWAK, INC. AS FOLLOWS:

- 1) SEAWALL LOCATED IN THE SOUTHERLY PORTION OF PARCEL 1;
- 2) TRANSFORMER PADS LOCATED IN THE NORTHWEST CORNER OF PARCEL 1;
- 3) GAS METERS & SPRINKLER LOCATED IN THE NORTHERLY PORTION OF PARCEL 1;
- 4) GREASE TRAPS LOCATED IN THE CENTER OF PARCEL 1; AND
- 5) MULTIPLE LIGHT POLES, MANHOLES & CATCH BASINS.

AK. POSSIBLE ENCROACHMENT OF THE 1) FENCE LOCATED MAINLY ON LOT 17 OF PARCEL 3 OF THE LAND ONTO THE PROPERTY NORTHERLY OF AND ADJOINING BY APPROXIMATELY 1.56 FEET; 2) FENCE LOCATED MAINLY ON LOT 10 OF PARCEL 2 OF ON THE LAND ONTO THE PUBLIC STREET SOUTHWESTERLY OF AND ADJOINING BY APPROXIMATELY 0.38 FEET; 3) FENCE LOCATED MAINLY ON LOT 8 OF PARCEL 2 OF THE LAND ONTO THE PUBLIC ALLEY NORTHEASTERLY OF AND ADJOINING BY APPROXIMATELY 0.87 FEET; AND 4) FENCE LOCATED MAINLY ON LOT 11 OF PARCEL 1 ON THE LAND ONTO THE PUBLIC STREET NORTHEASTERLY OF AND ADJOINING BY APPROXIMATELY 2.52 FEET; ALL AS SHOWN ON PLAT OF SURVEY NUMBER 98-90/98-182 DATED MAY 10, 2000 MADE BY MCTIGUE & SPIEWAK.

AP. TERMS, PROVISIONS, CONDITIONS & LIMITATIONS OF THE ORDINANCES DATED JULY 10, 1996 RELATING TO THE REDEVELOPMENT PLAN FOR THE GOOSE ISLAND REDEVELOPMENT PROJECT AREA.

As Of: 21-Jul-00

Contractor 1	Work/Material 2	Original Contract 3	Change Order's 4	Additional Funds Required	Adjusted Contract 5	Previous Amount	Difference
I. ACQUISITION							
River Works LLC	Acquisition	3,218,515.57			3,218,515.57	3,218,515.57	0.00
II. SOFT COSTS							
Durandal	Guarantee Fee	150,000.00			150,000.00	150,000.00	0.00
Prarie Realty Advisors	Loan Broker Fee	250,000.00			250,000.00	250,000.00	0.00
Environmental Group	Engineering	4,100.00			4,100.00	2,600.00	1,500.00
Chicago Guaranty Survey	Engineering	3,872.00			3,872.00	25.00	3,847.00
United Analytical Services	Environmental Report	37,705.00			37,705.00	37,705.00	0.00
Rupp Group	Lender Inspections	6,650.00			6,650.00	6,500.00	150.00
McTigue	Engineering	90,000.00	13,777.80		43,777.80	39,407.00	4,370.80
Lerch-Bates	Engineering	3,040.00			3,040.00	3,040.00	0.00
CND Electric	Engineering	50,000.00			50,000.00	50,000.00	0.00
Structural Shop	Engineering	54,881.00			54,881.00	54,881.00	0.00
Lakes States Engineering	Engineering	10,000.00			10,000.00	10,000.00	0.00
Alan C. Lindroth	Engineering	4,088.00			4,088.00	4,088.00	0.00
Webster McGrath	Engineering	17,300.00	1,710.50		19,010.50	17,300.00	1,710.50
McBride Kelley	Architect	35,953.00			35,953.00	35,953.00	0.00
Hartshome Plunkard	Architect	235,000.00		18,000.00	253,000.00	235,000.00	18,000.00
ILT Vignochi	Landscape Architect	11,900.00	12,700.00		24,600.00	16,400.00	8,200.00
HVAC Consultant	Engineering	20,000.00	4,000.00		24,000.00	24,000.00	0.00
Berbara Foster	Project Accountant	5,625.00			5,625.00	5,625.00	0.00
Gleeson Sklar	Legal	1,150.00			1,150.00	1,150.00	0.00
Sachoff & Weaver, Ltd.	Legal	13,694.00			13,694.00	13,694.00	0.00
Kane McKenna	Legal	11,175.00			11,175.00	11,175.00	0.00
Schalin Fiszel	Legal	50,236.15			50,236.15	50,236.15	0.00
Schuler Roche	Legal	258.00			258.00	258.00	0.00
Seyfarth, Shaw	Legal	145,218.00		121,000.00	266,218.00	266,218.00	0.00
Earl Neal	Legal - TIF	2,300.00		12,700.00	15,000.00	15,000.00	0.00
JD Sales	Legal - TIF	5,000.00		65,000.00	70,000.00	70,000.00	0.00
Lulki/Schneider	Legal - TIF	10,000.00		40,000.00	50,000.00	50,000.00	0.00
Stein & Rotman	Legal - TIF	6,785.00			6,785.00	6,785.00	0.00
Insignia	Commission	1,472,548.00			1,472,548.00	1,472,548.00	0.00
Lord Companies	Sera Lee Commission	633,398.57			633,398.57	633,398.57	0.00
	Unleased Space	3,800.00		23,000.00	26,800.00	3,800.00	23,000.00
CECO	Excess Facility Charge	44,587.83			44,587.83	44,587.83	0.00
Schwartz Brothers	Insurance	589.00			589.00	589.00	0.00
Hanover Insurance	Insurance	6,477.00			6,477.00	6,477.00	0.00
Riverworks L.L.C.	Insurance	43,505.00			43,505.00	43,505.00	0.00
Cook County	Real Estate Taxes	53,080.00			53,080.00	53,080.00	0.00
Riverworks L.L.C.	Real Estate Taxes	58,151.00			58,151.00	58,151.00	0.00
Riverworks L.L.C.	Permit Costs	52,863.00			52,863.00	52,863.00	0.00

EXHIBIT G-1
 PLATEAU BUDGET
 (PHASE I)

F-398

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Aug-04-00

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Riverworks L.L.C.	Permit	18,013.70			18,013.70	18,013.70	0.00
* CIB	Interest Reserve	2,350,000.00	(125,060.58)	574,209.13	2,789,148.55	2,850,000.00	(50,851.45)
Riverworks L.L.C.	Marketing & Operations	73,711.20			73,711.20	73,711.20	0.00
Riverworks L.L.C.	Contingency	3,582.17			3,562.17	3,708.73	(204.56)
TOTAL SOFT COSTS		5,988,296.82	(92,872.28)	853,909.13	6,749,333.47	6,741,611.16	7,722.29
III. HARD COSTS							
Riverworks L.L.C.	Temporary Utilities	15,000.00			15,000.00	15,000.00	0.00
Robinetts Demolition Oak Brook, IL	Envir. Remediation	102,980.00	1,732.00	17,332.00	122,054.00	115,722.00	6,332.00
	Additional Spoil Removal	81,000.00			81,000.00	89,000.00	(8,000.00)
Robinetts Demolition Oak Brook, IL	Demolition	140,000.00	10,140.00	1,732.00	151,872.00	150,140.00	1,732.00
Villa Construction Egin, IL	Demolition	45,000.00	50,820.00		95,820.00	95,820.00	0.00
Robinetts Demolition Oak Brook, IL	Wrecking	130,000.00			130,000.00	130,000.00	0.00
Veronica Excavating St. Charles, IL	Excavation and fill	95,000.00	59,143.00	72,570.00	226,713.00	226,713.00	0.00
Chicago Concrete Chicago, IL	Cast in Place Concrete	437,000.00	42,189.00		479,189.00	479,189.00	0.00
Barrier Corp Morton Grove, IL	Concrete Topping	59,480.00	99,674.19	22,550.00	181,714.19	171,164.19	10,550.00
Dakota Restoration Palatine, IL	Spandrel Restoration & Cleaning	225,000.00	308,442.00		533,442.00	533,442.00	0.00
S&S Contractors Chicago, IL 60622	Masonry - North	24,950.00			24,950.00	24,950.00	0.00
Masonry Constr. Corp.	Masonry	340,000.00	21,171.00	20,000.00	381,171.00	381,171.00	0.00
Westwind Construction Lisle, IL	Exterior Framing - Bldg. E	145,000.00			145,000.00	145,000.00	0.00

Masonry Constr. Corp.	Exterior Masonry Restoration - AB	67,850.00			67,850.00	67,850.00	0.00
SCS Corp.	Sandblasting	69,088.00			69,088.00	69,088.00	0.00
McKinney Steel	Structural Metal Framing	330,000.00	111,132.00		441,132.00	441,132.00	0.00
McKinney Steel	Metal stairs & ladders	145,000.00			145,000.00	145,000.00	0.00
Busy Welding	Welding	13,000.00	48,400.00		61,400.00	61,400.00	0.00
Creative Brass & Metal	Finish Carpentry	3,240.00			3,240.00	3,240.00	0.00
Westwind Construction	Toilet Accessories	5,991.00			5,991.00	5,991.00	0.00
RB Construction	Sills	46,000.00	47,875.00		93,875.00	100,075.00	(6,200.00)
Jones & Cleary	Modified Bituminous roof	218,000.00	36,806.42	31,805.00	286,611.42	324,806.42	(38,195.00)
J L Manta	Applied fireproofing	62,850.00	6,730.00	1,300.00	70,880.00	69,580.00	1,300.00
Architectural Sealants, Inc.	Sealants	3,400.00			3,400.00	0.00	3,400.00
S & S Fencing	Fencing	57,211.98		1,300.00	68,511.98	57,211.98	1,300.00
S&S Fencing / Admiral Steel	Fencing Material	17,788.02			17,788.02	17,788.02	0.00
Overhead Door	Doors & hardware	9,585.00	574.84		10,159.84	9,585.00	574.84
Builders Glass	Entrances & storefronts	114,000.00	20,335.11		134,335.11	134,335.11	0.00
Softer Line Windows Chicago, IL 60631	Aluminum windows	637,000.00	11,602.00		648,602.00	648,602.00	0.00
Westwind Construction	Gypsum bd/metal framing	250,000.00	280,971.47		530,971.47	530,971.47	0.00

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Allied Drywall	Drywall Material	0.00	13,525.45		13,525.45	13,525.45	0.00
Central Acoustical / EF Wood	Acoustical Material	0.00	3,840.23		3,840.23	3,840.23	0.00
Boarban Tile	Tile	88,930.00		44,572.00	131,502.00	131,502.00	0.00
	Slate Flooring	52,405.00	30,000.00		82,405.00	52,405.00	30,000.00
	Health Club			11,408.00	11,408.00	0.00	11,408.00
WII Hobbies	Paints & Coatings	40,880.00	8,302.57		49,182.57	49,183.00	(0.43)
Demos Painting	Paints & Coatings	23,400.00			23,400.00	23,400.00	0.00
	Health Club	0.00	6,000.00		6,000.00	0.00	6,000.00
Industrial Piping	Gas Piping	0.00	3,547.05	3,710.85	7,258.00	0.00	7,258.00
ASI	Interior misc. signage	5,400.00			5,400.00	5,400.00	0.00
Not Yet Let	Lobby Allowance	0.00			0.00		0.00
Laminated Products (LPI)	Fink's Deli	0.00	12,434.00		12,434.00	0.00	12,434.00
Allied Material Handling	Loading Dock Equipment	9,220.00			9,220.00	9,220.00	0.00
Access Lift	Handicap Lift	13,685.00			13,685.00	13,685.00	0.00
U.S. Fire Protection	Wet Pipe fire suppress. sprinkler	292,030.00	28,068.00	49,802.00	370,000.00	336,736.00	33,262.00
Otis Elevator	Electric Traction Elevators	365,000.00	49,208.00	18,282.24	430,490.24	428,135.00	2,355.24
USA Hoist	Hoists.Cranes Inc. operator	139,760.00	151,402.00		291,162.00	291,162.00	0.00
The Plumbing Co.	Bldg. Waste & Water	525,000.00	125,000.00	150,981.00	800,981.00	707,000.00	93,981.00
F.E. Moran Northbrook, IL	HVAC	1,000,000.00	358,388.00	136,827.00	1,495,015.00	1,424,000.00	71,015.00
Divane Electric	Electrical Services Detection & Alarm	635,000.00	557,550.00	378,450.00	1,571,000.00	1,542,550.00	28,450.00
	Electrical Services - Bldg. E AB Build Out - Divane	2,000.00			2,000.00	2,000.00	0.00

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Riverworks L.L.C.	Temporary Barricades	38,741.80			38,741.80	38,741.80	0.00
	Health Club			59,480.00	59,480.00	0.00	59,490.00
	TA Buildout	0.00		178,070.00	178,070.00	0.00	178,070.00
Action K-9	Security	5,436.50			5,436.50	0.00	5,436.50
If In One Construction	Grading / Excavation / Demo	150,000.00	10,487.00	243,808.00	404,295.00	393,808.00	10,487.00
	Paving	148,899.00		17,488.00	166,165.00	148,899.00	17,488.00
	Site Concrete	180,000.00			180,000.00	180,000.00	0.00
	North Lot Sewer	70,000.00			70,000.00	70,000.00	0.00
	Seawall Restorations	85,000.00			85,000.00	85,000.00	0.00
	Tree Graies	11,474.00			11,474.00	11,474.00	0.00
	Masonry Piers	17,500.00			17,500.00	17,500.00	0.00
	Gate Operators	16,043.00			16,043.00	16,043.00	0.00
	Masonry At Building E	270,200.00		40,554.00	310,754.00	270,200.00	40,554.00
	Exterior Lighting	142,000.00			142,000.00	142,000.00	0.00
	Window Treatments	31,200.00			31,200.00	31,200.00	0.00
	Lobby Casework	33,200.00	3,451.00		36,651.00	36,651.00	0.00
	Security Systems	23,404.00			23,404.00	23,404.00	0.00
	Toilet Accessories / Partitions	24,940.00		9,116.00	34,056.00	24,940.00	9,116.00
	Landscaping	85,129.00		38,233.00	123,382.00	85,129.00	38,233.00
	Entrance Canopy	7,197.00			7,197.00	7,197.00	0.00
	Plastic Laminate Tops	7,518.00			7,518.00	7,518.00	0.00
	Mirrors	2,400.00			2,400.00	2,400.00	0.00
	AB Build Out - West Wind	57,161.81			57,161.81	57,161.81	0.00
	AB Build Out - Plumbing Co.	17,000.00			17,000.00	17,000.00	0.00
	AB Build Out - Not Yet Let	42.97			42.97	42.97	0.00
	SUBTOTAL	\$1,380,108.58	\$13,938.00	\$349,177.00	\$1,743,223.58	\$1,627,367.58	\$115,856.00
MD SUPPLY	Metal Frames & Finish Hardwar	118,816.00	7,456.00		126,272.00	118,816.00	7,456.00
Temp Heat	Temporary Heat	14,693.00			14,693.00	14,693.00	0.00
Brookhaven Constructors Inc. Chicago, IL 60822	Direct Labor & Superv	1,155,007.78		190,000.00	1,345,007.78	1,345,007.78	0.00
Sara Lee Corporation	Sara Lee Build Out	5,880,116.15			5,880,116.15	5,800,385.42	79,730.73
Total Hard Costs		15,673,843.81	2,526,397.33	1,737,239.19	18,937,480.33	19,222,604.46	714,976.88
TOTAL'S		24,880,656.00	2,433,526.05	2,591,148.32	29,906,328.37	28,182,631.20	722,698.17

**Interior Construction
Company Name & Add.**

Hard Costs

Clune Construction Company
10 S. La Salle Street
Chicago, Illinois

	<u>Orig. Contract</u>	<u>Change Orders</u>	<u>Adjusted Contract</u>	<u>SLB Paid To Date</u>	<u>Paid By CTT Escrow</u>	<u>Total Paid</u>	<u>Amount Due</u>
	9,388,878	1,058,212	10,455,887	1,261,480	0		
				600,000	1,642,488		
				999,155	1,814,777		
				634,435	1,538,406		
					727,287		
					267,107		
Total Payments				3,495,070	15,880,114	9,375,184	1,080,703

Allowances

GMP Allowance	784,200
Permits	55,000
Overtime	118,000
Base Bldg. Changes	60,000
Hoisting	85,400
General Conditions	319,283
Ref. Freezer Panels	1,055,470
Clune Construction Fee	213,859
Total Allowances	2,681,212

2,681,212

Total Hard Costs

7,784,675

Equipment

Lucent Technologies
300 Cabot Drive
Lisle, Illinois

398,930

398,930

360,000

48,930

STL Inc.
2030 Alton Ct.
St. Louis, Mo

401,500

401,500

400,000

1,600

04/17/2000

10:02 AM

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APR-17-00 10:21 FROM: SLS ADMIN SERVICES

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Commonwealth Edison Secondary Feed	250,000		250,000		250,000
US Direct Satellite	15,000		15,000		15,000
Refrigeration Equipment	1,400,000		1,400,000	1,400,000	0
Medco Security 169221 Shore Court Burr Ridge, Illinois 60621	395,000		395,000	300,000	95,000
Midwest Audio Visual 6800 N. Hamlin Chicago, IL 60646	100,000		100,000	95,000	5,000
Modographics Sign 5300 Newport Drive Rolling Meadows, IL 60008	200,000		200,000	73,000	73,000
Total Equipment	3,160,430	1,069,212	3,160,430	6,113,070	1,069,133
Fees					
Burnham Nationwide 111 W. Washington	11,000	45,000	55,000	58,000	58,000
HOK 30 W. Monroe - Chicago	290,000	30,000	320,000	280,000	40,000
ESD Design Services Chicago, IL	210,000	40,000	250,000	190,000	60,000
Schlitz - Security Eng.	21,000		21,000		21,000

04/17/2000

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APR-17-98 10-21 FROM-GLB ADMIN SERVICES

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PAGE

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Development Resources	150,000	150,000	101,000	130,000	49,000
The Structural Shop	5,000	5,000	5,000		
Total Fees	887,000	882,000	632,000	877,000	170,000

Moving Costs					
Boyer Roemer	240,000	240,000	48000	204,000	
Systema International	125,000	125,000	68000	80,000	
Midwest Mechanical	85,000	85,000		85,000	
Moveable File System	8,000	8,000		4,000	
Stationery/Gus. Cards	20,000	20,000		20,000	
Move Batefile from 224	1,000	1,000		1,000	
Computer Technicians	50,000	50,000		50,000	
Phone Equip. Rental	97,000	97,000		97,000	

Total Moving Costs	638,000	635,000		635,000	
Furniture					
Emvtrastx	300,000	300,000		300,000	
Total Furniture	300,000	300,000		300,000	
Grand Total	14,182,405	14,171,212	18,253,377	8,000,650	0
				3,071,423	

It is understood that the total amount requested in this application shall not exceed 100% of the cost to date. I agree to furnish waivers of lien for all material under my contract, when demanded.

Subscribed and Sworn to Before Me This

17th day of April, 2000.

Barbara Mitchell-Walker
Notary Public

04/17/2000



SIGNED:

Eileen Donnelly
Eileen Donnelly
Sr. Manager - Administration
Sara Lee Bakery.

DATE:

4/17/00

10:02 AM

EXHIBIT G-1
PROJECT BUDGET

PHASE II -ESTIMATED COST

Acquisition/Assemblage	\$1,094,295	\$1,094,295
<u>Soft Costs</u>		
Architectural	\$75,433	
Engineering	\$63,355	
Financial	\$850,290	
Legal/Accounting	\$126,311	
Brokerage/Marketing	\$569,217	
Taxes/Insurance	\$41,654	
Permit/Excess Facility Charges	\$30,127	
Total Soft Cost		\$1,756,388
<u>Hard Costs</u>		
Demolition	\$197,200	
Parking, Landscaping	\$700,000	
Excavation/Concrete	\$532,384	
Building	\$1,578,214	
Interior New Construction	\$2,991,322	
Electrical	\$893,998	
Plumbing/Sprinkler	\$409,558	
HVAC	\$1,078,136	
	\$7,483,612	
Total Hard Cost		<u>\$8,380,812</u>
PHASE II TOTAL		\$11,231,495
Total Project Cost		\$48,799,384

70(b)

EXHIBIT G-2

MBE / WBE Budget
Riverworks / SaraLee Project

MBE / WBE Budget:	
Riverworks: construction hard costs	\$12,077,111
Sara Lee Bakery: construction hard costs	\$7,794,584
Total:	\$19,871,695

Note: This budget will be revised to incorporate Phase II costs as the Phase II project is developed.

EXHIBIT H

APPROVED PRIOR EXPENDITURES

Note: Because the closing of the Redevelopment Agreement occurred after completion of construction of Phase I of the Project, the sworn statements, which are attached as Exhibit G-1 and serve as the final project budget, shall also constitute Exhibit H, the Approved Prior Expenditures.

EXHIBIT I

OPINION OF DEVELOPER'S COUNSEL

[Omitted For Recording Purposes]

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

_____, 2000

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.

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.

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: _____

COMPLETED BY THE CITY]. As of December 1, _____, the amount of Available Excess Incremental Taxes, as determined by the City, was \$_____. The City hereby approves a payment to the Developer from such Available Excess Incremental Taxes in the amount of \$_____, to be applied as follows:

1. Amount to be applied to the payment of previously accrued and unpaid interest: \$_____
2. Amount to be applied to the payment of current accrued interest: \$_____
3. Amount to be applied to the payment of principal: \$_____

F. Unpaid Principal and Interest. [THIS SECTION TO BE COMPLETED BY CITY] After application of the reimbursement payment in accordance with Section E, the unpaid principal and interest with respect to the City Note shall be as follows:

1. Unpaid Principal \$_____
2. Unpaid Interest \$_____

G. Supporting Documents. Attached are the following documents:

1. a certification as to the status of job creation in accordance with Section 8.06 of the Agreement;

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

1. The total amount of the payment request represents the actual amount previously paid for eligible acquisition costs or to general contractors, subcontractors, suppliers and other third parties who have performed work on or provided materials for the Project comprising TIF-Funded Improvements, which costs, work and materials have not been previously reimbursed by the City. The Developer has approved all work and materials and such work and materials conform to the Plans and Specifications.

2. Except as set forth below, the representations and warranties contained in the Agreement are true and correct and the Developer is in compliance with all covenants contained therein (if true and correct, state "NONE").

3. The Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens.

4. No act or omission which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred.

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

RIVERWORKS, L.L.C.,
an Illinois limited liability
company

By: The Drew Group, Inc., its
manager

By: _____

Subscribed and sworn before me this ___ day of _____
200_.

NOTARY PUBLIC
My commission expires: _____

Agreed and accepted:

Name
Title: _____
City of Chicago
Department of Planning and Development

Schedule 1 to Exhibit J

Outstanding Principal and Accrued Interest Computation

EXHIBIT K

Form of City Note

[Omitted For Recording Purposes]