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Doc#: 0622718076 Fee: \$186.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
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This agreement was prepared by and
after recording return to:
Michael L. Gaynor
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

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TARGET CORPORATION WEST RIDGE--PETERSON AVENUE REDEVELOPMENT AGREEMENT

This Target Corporation West Ridge—Peterson Avenue Redevelopment Agreement (this "Agreement") is made as of this 15th day of August, 2006, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Target Corporation, a Minnesota corporation (the "Developer").

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "the City Council") adopted the following ordinances on October 27, 1986:

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(1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the West Ridge--Peterson Avenue Redevelopment Project Area" (as amended by an ordinance adopted by the City Council on April 6, 2005); (2) "An Ordinance of the City of Chicago, Illinois Designating the West Ridge--Peterson Avenue Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the West Ridge--Peterson Avenue Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer incurred the costs of and effected the purchase (the "Acquisition") of certain property located within the Redevelopment Area at 2050 West Peterson Avenue, Chicago, Illinois 60659 and legally described on Exhibit B hereto (the "Property"). In connection with the Acquisition, the Developer directed that the Property be conveyed to the Owner. The Owner has leased the Property to the Developer pursuant to the Ground Lease. The Owner and the Developer have also entered into the Short Form Lease as a memorandum of the Ground Lease. Attached hereto as Exhibit K is a copy of the Short Form Lease. Within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete construction of an approximately 160,000 square foot retail shopping facility (the "Facility") on the Property with 503 attendant parking spaces. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago West Ridge--Peterson Avenue Redevelopment Plan and Project, as amended (the "Redevelopment Plan") attached hereto as Exhibit D.

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

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

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

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

"Available Incremental Taxes" shall mean an amount equal to 92.5% of the Incremental Taxes deposited in the TIF Fund attributable to the taxes levied on the Property. The amount of the Incremental Taxes minus the amount of the City Fee (described in Section 4.05(c) hereof) equals the amount of the Available Incremental Taxes.

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

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

"Certificate of Completion Date" shall mean the date as of which the City issues Certificate of Completion to the Developer.

"Certificate of Expenditure" shall mean any Certificate of Expenditure referenced in the City Note pursuant to which the principal amount of the City Note will be established.

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

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

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

"City Funds" shall mean the funds, in an aggregate amount not to exceed \$4,500,000 paid to the Developer by the City: (1) pursuant to the City Note; and (2) as the proceeds of the City Grant.

"City Grant" shall mean a grant in the approximate amount of \$2,600,000 paid to the Developer by the City on the Certificate of Completion Date. The actual amount of the City Grant shall be equal to the amount of Incremental Taxes in the TIF Fund as of the Closing Date less \$250,000; provided, however, that the actual amount of the City Grant shall not exceed the difference between \$4,600,000 and the actual principal amount of the City Note.

"City Note" shall mean the United States of America, State of Illinois, County of Cook, City of Chicago, Tax Increment Allocation Revenue Note (West Ridge—Peterson Avenue Redevelopment Project), Taxable Series 2006A, to be in the form attached hereto as Exhibit M,

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in the approximate principal amount of \$2,000,000, issued by the City to the Developer on the Closing Date as provided herein; provided, however, that the actual principal amount of the City Note shall not exceed the difference between \$4,600,000 and the actual amount of the City Grant. Commencing on the Certificate of Completion Date, the City Note shall bear interest at a fixed annual rate of 6.5%. The City Note shall provide for accrued, but unpaid, interest to bear interest at the same fixed annual rate of 6.5%.

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

"Closure" shall mean the complete cessation of the occupancy and operation of the completed Project as a retail shopping facility by the Developer at any time during the Occupancy Period for a period of 180 consecutive days or more. Occupancy and operation of the completed Project for a use other than a retail shopping facility at any time during the Occupancy Period for a period of 180 consecutive days or more shall constitute Closure. Notwithstanding any of the foregoing, the Developer may, with the prior written approval of DPD, close the Facility during the Occupancy Period for a period of 180 consecutive days or more to substantially renovate the Facility, in which case such closure shall not constitute Closure as defined above.

"Closure Default" shall have the meaning set forth in Section 15.01(l) hereof.

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

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

"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, including but not limited to Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560 thereof, whether or not in the performance of this Agreement.

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

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

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

"Final Project Cost" shall mean the total actual cost of the construction of the Project as evidenced by a final Project budget submitted by the Developer to the City with the Developer's request for the Certificate of Completion pursuant to Section 7.01 hereof.

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

"Full-Time Equivalent" shall mean an employee or employees working for the Developer on the Property who works, individually or in aggregate, an average of 37.5 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.

"Ground Lease" shall mean that certain Ground Lease dated as of August 26, 2004 between the Owner as landlord and the Developer as tenant regarding the Property.

"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.

"IDOL" shall mean the Illinois Department of Labor.

"Incremental Taxes" shall mean such (i) ad valorem taxes pursuant to Section 5/11-74.4-8(b) of the Act, and (ii) Municipal Sales Tax Increment and Net Sales Tax Increment as defined in and pursuant to Sections 74.4-3(h) and (i) respectively of the Act, both of which, pursuant to the TIF Adoption Ordinance, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Interest Rate" shall mean 6.5% per annum.

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“Job Creation Cure Period” shall mean the sixty-day period from the date on which the City receives a Job Creation Default Notice from the Developer during which period the Developer may cure said Job Creation Default.

“Job Creation Default” shall have the meaning set forth in Section 15.01(m) hereof.

“Job Creation Default Notice” shall mean a written notice of a Job Creation Default delivered from the Developer to the City. The Developer shall send a Job Creation Default Notice to the City within five business days of a Job Creation Default.

“Job Creation Period” shall mean the ten-year period of time from the Certificate of Completion Date through and including the tenth anniversary of the Certificate of Completion Date.

“Job Creation Period Year” shall mean any year within the Job Creation Period beginning on the Certificate of Complete Date (for the first Job Creation Period Year) or an anniversary thereof (for the second through tenth Job Creation Period Years)

“Job Creation Report” shall mean a quarterly progress report provided by the Developer to DPD detailing the Developer’s compliance with the requirement to maintain the Minimum Job Creation on a monthly basis.

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

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

“Minimum Job Creation” shall mean the creation and retention of not less than 100 Full-Time Equivalent, permanent jobs by the Developer at the Project (for a total of 195,000 hours during a given 52-week calendar year); provided, however, that, at the Developer’s request and in the Commissioner’s discretion, the Minimum Job Creation for any single Job Creation Period Year may mean the creation and retention of not less than 85 Full-Time Equivalent, permanent jobs by the Developer at the Project (for a total of 165,750 hours during a given 52-week calendar year), and in such instance there shall not be a Job Creation Default. The Commissioner shall not have the discretion to accept the creation and retention of less than 85 Full-Time Equivalent, permanent jobs by the Developer at the Project.

“Municipal Code” shall mean the Municipal Code of the City of Chicago.

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

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"Occupancy Period" shall mean the ten-year period of time from the Certificate of Completion Date through and including the tenth anniversary of the Certificate of Completion Date.

"Occupancy Period Year" shall mean any year within the Occupancy Period beginning on the Certificate of Completion Date (for the first Occupancy Period Year) or an anniversary thereof (for the second through tenth Occupancy Period Years).

"Owner" shall mean Dayton Development Company, a Minnesota corporation and a wholly-owned subsidiary of the Developer.

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

"Planned Development Ordinance" shall mean Planned Development Ordinance Number 396, as amended pursuant to an ordinance adopted by the City Council on December 1, 2004, and any subsequent amendments thereto.

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

"Prevailing Wage Act" shall mean the Illinois Prevailing Wage Act (820 ILCS 130/0.01 et seq.) and any regulations applicable thereto.

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

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

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

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

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

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

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

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"Requisition Form" shall mean, collectively, the documents, in the forms attached hereto as Exhibits L-1, L-2 and L-3, to be delivered by the Developer to DPD pursuant to Section 4.07 of this Agreement.

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

"Short Form Lease" shall mean that certain Short Form Lease between the Owner as landlord and the Developer as tenant dated as of August 26, 2004 and recorded against the Property on September 23, 2004 as document number 0426703138 as a memorandum of the Ground Lease.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM and 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 Facility and related improvements as required by the City).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2010)

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

"TIF Bonds" shall have the meaning set forth in Section 8.05 hereof.

"TIF Fund" shall mean the 1986 West Ridge--Peterson Avenue Redevelopment Project Area Special Tax Allocation Fund, 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.

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

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

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

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Owner as the insured, noting the recording of this Agreement as an

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encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property, if any, issued by the Title Company.

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) have commenced construction no later than July 1, 2005; and (ii) complete construction and conduct business operations therein no later than October 31, 2006. Seventy-five percent of the net area of the roof of the Facility shall be covered with a "green roof"; or, in the alternative, fifty percent of the net area of the roof of the Facility shall be covered with a "green roof" and the Developer shall design and construct the Facility in a manner that shall allow the Developer to receive a standard Leadership in Energy and Environmental Design certification for the Facility from the U. S. Green Building Council. The Facility shall be built with an elevated sales floor and 503 spaces of covered and open street level parking.

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 shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Department of Buildings, Department of Construction and Permits, 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 total estimated costs for the Project in an amount not less than \$40,448,695. The Developer hereby certifies to the City that (a) the Developer has Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to any material change to the Project must be submitted by the Developer to DPD for prior written approval. As used in the preceding sentence, a

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"material change to the Project" means: (a) a reduction in excess of 5% in the gross or net square footage of the Facility; (b) a change in the use of the Property to a use other than a retail shopping facility; (c) an increase or decrease in excess of 5% of the Project Budget; or (d) a delay in the completion of the Project in excess of three months. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds that the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect.

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

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

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

3.08 Inspecting Agent or Architect. An agent or architect of the Developer identified in writing to and approved by DPD shall act as the inspecting agent or architect for the Project at the Developer's expense. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder.

3.09 Barricades. Prior to commencing any construction requiring barricades, 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.

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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 \$40,448,695, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the Developer's Equity (subject to Sections 4.03(b) and 4.06).

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder prior to the issuance of the Certificate of Completion.

(b) Sources of City Funds.

(1) City Note. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Sections 4.07 and 5 hereof, the City hereby agrees to issue the City Note (in substantially the form attached hereto as Exhibit M) to the Developer on the Closing Date. The principal amount of the City Note shall be in an amount equal to the costs of the TIF-Funded Improvements identified as Prior Expenditures on Exhibit I hereto which have been incurred by the Developer as of the Closing Date and are to be reimbursed by the City through payments of principal

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and interest on the City Note (as indicated on Exhibit I), subject to the provisions hereof; provided, however, that the maximum principal amount of the City Note shall not exceed either (i) \$2,000,000 or (ii) the difference between \$4,600,000 and the actual amount of the City Grant, subject to adjustment as follows: if the Project Budget (attached hereto as Exhibit H-1) exceeds the Final Project Cost (as evidenced on the final Project budget submitted pursuant to Section 7.01 hereof), then, notwithstanding any other provision of this Agreement, the maximum amount of the City Funds and the not to exceed principal amount of the City Note shall be reduced by 50¢ for every \$1.00 (or portion thereof) by which the Project Budget exceeds the Final Project Cost; and provided, further, that payments under the City Note are subject to the amount of Available Incremental Taxes deposited into the TIF Fund being sufficient for such payments. The City Note shall bear interest at the Interest Rate. Interest will begin to accrue upon the City Note from the Certificate of Completion Date. Each year of the Term of the Agreement prior to the Maturity Date of the City Note, after and subject to payment of the annual City Fee out of Incremental Taxes, the City shall not make any payment out of Incremental Taxes deposited in the TIF Fund attributable to the taxes levied on the Property until the City has first made the applicable annual payment of Available Incremental Taxes to the Developer under the City Note.

(2) City Grant. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Sections 4.07 and 5 hereof, the City hereby agrees to make the City Grant to the Developer on the Certificate of Completion Date. The approximate amount of the City Grant shall be \$2,600,000. The actual amount of the City Grant shall be equal to the amount of Incremental Taxes in the TIF Fund as of the Closing Date less \$250,000; provided, however, that the actual amount of the City Grant shall not exceed the difference between \$4,600,000 and the actual principal amount of the City Note, and provided, further, that the amount of the City Grant must equal (i) the costs of the TIF-Funded Improvements identified as Prior Expenditures on Exhibit I hereto which have been incurred by the Developer as of the Closing Date and are to be reimbursed by the City through payment of the City Grant (as indicated on Exhibit I), or (ii) not to exceed \$2,600,000 of the costs of the TIF-Funded Improvements which have been incurred by the Developer between the Closing Date and the Certificate of Completion Date.

4.04 Aggregate Amount of City Funds. The aggregate principal amount of the City Funds shall not exceed \$4,600,000.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date (but after the adoption of the original TIF Ordinances on October 27, 1986), evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered either previously contributed Equity hereunder or the previously incurred costs of TIF-Funded Improvements (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure (other than those set forth in Exhibit I hereto). Exhibit I hereto sets forth those Prior Expenditures (and the applicable portions thereof) approved by DPD as of the date hereof as the previously incurred costs of TIF-Funded Improvements. Prior Expenditures made for items other than TIF-Funded

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Improvements (and therefore not listed on Exhibit I) shall not be reimbursed to the Developer, but shall reduce the amount of Equity required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) [intentionally omitted]

(c) City Fee. Annually, the City may allocate an amount not to exceed seven and one-half percent (7.5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

(d) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements as set forth in Exhibit C hereto 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 \$500,000 or \$1,000,000 in the aggregate, may be made without the prior written consent of DPD. If DPD has not approved or disapproved a request from the Developer for a line item transfer within ten (10) business days of receipt of such written request, the request shall be deemed approved and the Developer may proceed accordingly.

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

4.07 Requisition Form.

(1) On the Closing Date, the Developer shall provide DPD with an initial Requisition Form (the "City Note Initial Requisition Form") in the form attached hereto as Exhibit L-1, which shall be satisfactory to DPD in its sole discretion. The City Note Initial Requisition Form shall serve as the Developer's request for the City to issue a Certificate of Expenditure (in the form attached to Exhibit M hereto).

Delivery by the Developer to DPD of the City Note Initial Requisition Form hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the Closing Date, that:

(a) the total amount of the City Note Initial Requisition Form represents the actual cost of the Acquisition or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

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(b) all amounts shown as previous payments on the City Note Initial Requisition Form have been paid to the parties entitled to such payment;

(c) the Developer has approved all work and materials for the City Note Initial Requisition Form, and such work and materials conform to the Plans and Specifications;

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

(e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens and any Non-Governmental Charge for which the Developer has provided a bond or other security pursuant to Section 8.15(b), i) below;

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

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

At the request of DPD and on such date as may be acceptable to the parties, the Developer shall meet with DPD to discuss the City Note Initial Requisition Form previously delivered pursuant hereto. The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may reasonably require in order to verify that the matters certified to above are true and correct, and the execution of the Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of execution of the Certificate of Expenditure, including but not limited to requirements set forth in the TIF Ordinances and/or this Agreement.

(2) No later than December 31 of each calendar year, beginning in the calendar year following the calendar year in which the City Note is issued, and continuing no more than once a calendar year until the calendar year of the earlier of either the Maturity Date or the prepayment in full of the City Note, the Developer shall provide DPD with an additional Requisition Form (each a "City Note Additional Requisition Form") in the form attached hereto as Exhibit L-2 which shall

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indicate both the amount previously paid (if any) and the amount currently outstanding under the City Note; provided, however, that the City Note Additional Requisition Form submitted in 2010 (if any) must be submitted no later than October 31, 2010.

Delivery by the Developer to DPD of a City Note Additional Requisition Form hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of the City Note Additional Requisition Form, that:

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

(b) 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 and any Non-Governmental Charge for which the Developer has provided a bond or other security pursuant to Section 8.15(b)(ii) below; and

(c) no Event of Default or, to the Developer's knowledge, 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.

At the request of DPD and on such date as may be acceptable to the parties, the Developer shall meet with DPD to discuss any City Note Additional Requisition Form previously delivered pursuant hereto. The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may reasonably require in order to verify that the matters certified to above are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer.

(3) On the Certificate of Completion Date, the Developer shall provide DPD with a Requisition Form (the "City Grant Requisition Form") in the form attached hereto as Exhibit L-3, which shall be satisfactory to DPD in its sole discretion. The City Grant Requisition Form shall serve as the Developer's request for the City to disburse the City Grant.

Delivery by the Developer to DPD of the City Grant Requisition Form hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the Certificate of Completion Date, that:

(a) the total amount of the City Grant Requisition Form represents a portion of the actual cost of the Acquisition or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the City Grant Requisition Form have been paid to the parties entitled to such payment;

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(c) the Developer has approved all work and materials for the City Grant Requisition Form, and such work and materials conform to the Plans and Specifications;

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

(e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens and any Non-Governmental Charge for which the Developer has provided a bond or other security pursuant to Section 8.15(b)(ii) below;

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

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

At the request of DPD and on such date as may be acceptable to the parties, the Developer shall meet with DPD to discuss the City Grant Requisition Form previously delivered pursuant hereto. The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may reasonably require in order to verify that the matters certified to above are true and correct, and the disbursement of the City Grant by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of the disbursement of the City Grant, including but not limited to requirements set forth in the TIF Ordinances and/or this Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being repaid as provided in Section 15.02(b)(i) hereof.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

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

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Owner as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by the Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DPD, on or prior to the Closing Date, (a) certified copies of the Ground Lease and the Short Form Lease, and (b) documentation related to the purchase of the Property and 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. The Developer, at its own expense, has provided the City with searches under the Owner's name, the Developer's name, and the following trade names and/or former names of the Developer: SuperTarget, Target Stores, Dayton's, Dayton-Hudson Corporation, Dayton Hudson Corporation, 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

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Cook County Recorder Memoranda of judgments search
 U.S. District Court (N.D. Ill.) Pending suits and judgments
 Clerk of Circuit Court, Pending suits and judgments
 Cook County

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

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

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

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

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

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

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters.

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit (or similar evaluation or analysis) with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audit(s).

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided copies of the Developer's and the Owner's Articles of Incorporation containing the original certifications of the Secretary of State of the State of Minnesota; certificates of good standing for the Developer and the Owner from the Secretaries of State of the States of Minnesota and Illinois; secretary's certificates for the Developer and the Owner in such form and substance as the Corporation Counsel may require; by-laws of the Developer and the Owner; and such other corporate documentation as the City has requested. The Developer has provided to the City Economic

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Disclosure Statements for the Developer and the Owner, in the City's then current form, dated as of the Closing Date.

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 [intentionally omitted]

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DPD a copy of the form of the proposed Construction Contract to be attached hereto as Exhibit E. Within ten (10) business days after the execution of the Construction Contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of the Construction Contract together with any modifications, amendments or supplements thereto. 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.

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

6.04 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10.01 hereof. The Developer shall contractually obligate and cause the General Contractor and such subcontractors as are necessary and appropriate to achieve compliance with the provisions of Sections 10.02 and 10.03 hereof to agree to the provisions of Sections 10.02 and 10.03 hereof..

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof.

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Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in accordance with the terms of this Agreement (including but not limited to Sections 3.01, 6.03, 8.09, 10.02, 10.03 and 12 hereof), and upon the Developer's written request (which shall include (i) a final Project budget evidencing the Final Project Cost, and (ii) a "date-down" or similar update of the Title Policy containing only those title exceptions listed as Permitted Liens on Exhibit G hereto but excluding any lien or right to a lien for material, services or labor after September 23, 2004), DPD shall issue to the Developer a Certificate of Completion in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement, including but not limited to Section 3.01 hereof. DPD shall respond to the Developer's written request for a Certificate of Completion within forty-five (45) days by issuing either a Certificate of Completion or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate of Completion. The Developer may resubmit a written request for a Certificate of Completion upon completion of such measures.

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

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

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

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

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPJ 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, on its own behalf and on behalf of the Owner (as applicable), represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder that:

(a) the Developer is a Minnesota corporation duly organized, validly existing, qualified to do business in Minnesota and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

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

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

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

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

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

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

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

(j) prior to the issuance of a Certificate of Completion, the Developer shall not do any of the following without the prior written consent of DPD (which consent shall not be unreasonably withheld): (1) be a party to any merger which would have a material adverse effect on the Developer's ability to perform its obligations under this Agreement; (2) be a party to any liquidation or consolidation which would have a material adverse effect on the Developer's ability to perform its obligations under this Agreement; (3) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (4) enter into any transaction outside the ordinary course of the Developer's business which such transaction would have a material adverse effect on the Developer's ability to perform its obligations under this Agreement; (5) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity which such assumption, guarantee, endorsement or liability would have a material adverse effect on the Developer's ability to perform its obligations under this Agreement; (6) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; (7) cause or allow the Owner to sell, transfer, convey, lease or otherwise dispose of all or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business (and except that the Developer may cause or allow the Owner to sell, transfer, convey or lease all or any portion of the Property to the Developer or another wholly-owned subsidiary thereof); or (8) sell, transfer, convey, pledge or otherwise dispose of its ownership interests in the Owner.

(k) neither the Developer nor the Owner has incurred, and, prior to the issuance of a Certificate of Completion, shall, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the

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Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto;

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

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

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement (including but not limited to Section 3.01 hereof) and all Exhibits attached hereto, the TIF Ordinances in effect on the date hereof, 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, the Owner and/or the Developer, including but not limited to the Planned Development Ordinance. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate of Completion with respect thereto.

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

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

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8.05 TIF Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "TIF Bonds"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such TIF 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. Subject to applicable law at the time of the marketing and/or issuance of the TIF Bonds, it is currently anticipated that the Developer will not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading; provided, however, the foregoing shall not subject the City to any liability.

8.06 Job Creation and Retention; Occupancy and Operation. (a) The Developer shall attain the Minimum Job Creation at the Project by the date of the issuance of the Certificate of Completion and maintain the Minimum Job Creation through the Job Creation Period. Developer shall deliver to DPD a Job Creation Report with (i) the City Note Initial Requisition Form, and (ii) thereafter on a quarterly basis through the Job Creation Period.

(b) Developer shall fully occupy and operate the completed Project as a retail shopping facility (comparable to the Developer's other retail shopping facilities within the corporate limits of the City) through the Occupancy Period, subject to force majeure and condemnation. Furthermore, the Developer shall not include (or cause or allow the Owner to include) any restriction upon the use and operation of the Property and the Project as a retail shopping facility in any contract of sale or deed (or similar instrument) of conveyance.

(c) The covenants set forth in this Section 8.06 shall run with the land and be binding upon any transferee.

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. During the Term, such reports shall be delivered to the City when the Project is 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget) or at such other intervals as upon which the parties hereto shall mutually agree. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD that shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

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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 IDOL, to all laborers, workers and mechanics employed for and on the construction of the Project. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If IDOL 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. Provided that the Developer or the General Contractor has paid any wages and penalties required under the Prevailing Wage Act within such time and in such manner as required by the Prevailing Wage Act, the Developer shall have no further liability hereunder with respect to this Section 8.09 and shall not be deemed in default hereunder.

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

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

8.12 Disclosure of Interest. The Developer's counsel has no direct or indirect financial ownership interest in excess of .05% in the Developer. The Developer's counsel has no direct or indirect financial ownership interest in the Property or any other aspect of the Project.

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended [December 31], 2005 and each [December 31] thereafter for the Term of the Agreement as such Financial Statements become publicly available.

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

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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 has the right, before any delinquency occurs:

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

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

8.16 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability (a) to perform its obligations hereunder, or (b) (i) to repay any material liabilities or (ii) to perform any material obligations of the Developer to any other person or entity. Unless prohibited from doing so by applicable law, the Developer shall immediately notify DPD of any and all events or actions that may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

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

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

8.19 Real Estate Provisions.

(a) Governmental Charges.

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

(ii) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending 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

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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 copies of the latest audited Financial Statements referenced in the Developer's filings with the United States Securities and Exchange Commission at the Developer's own expense.

8.20 [intentionally omitted]

8.21 [intentionally omitted]

8.22 Public Benefits Program. On or prior to the Closing Date, the Developer shall undertake a public benefits program as described on Exhibit N.

8.23 Job Readiness Program. The Developer shall undertake a job readiness program, as described in Exhibit O hereto. The City shall pay for the City's costs in connection with the job readiness program out of the \$250,000 in Incremental Taxes in the TIF Fund as of the Closing Date which the City shall retain prior to disbursement of the City Grant.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

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SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

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

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

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(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.

15.01 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 such subcontractors as are necessary and appropriate to achieve compliance with the provisions of this Section 10.02 to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

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

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

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

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

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developer, the General Contractor and each subcontractor shall

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maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

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

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

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

The Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and in such subcontracts as are necessary and appropriate to achieve compliance with the provisions of this Section 10.02 related to the Project.

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

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

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

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

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

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

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

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

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

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

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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, 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 all or any portion of the Property, or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, or at the expense of such other party as may be required to maintain such insurance, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the 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

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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 – applicable to the General Contractor and subcontractors

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 basis.

(iv) Railroad Protective Liability Insurance

If and 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 has 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.

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(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 who are not employees of the Developer 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 claims-made 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 has 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) Term of the Agreement

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- (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. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.
 - (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 Facility and other improvements included in the Project. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.
- (d) 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 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 suspend payments of principal and interest and the accrual of interest under the City Note under this Agreement until proper evidence of insurance is provided.

The insurance shall provide for 30 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.

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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 General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section 12(d)) of Developer unless otherwise specified herein.

If the Developer, General Contractor or any subcontractor desires additional coverages, the Developer, General Contractor and any 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, so long as any such change does not increase these requirements.

SECTION 13. INDEMNIFICATION

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

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

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

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to the Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. 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 (excluding confidential product information, trade secrets and proprietary product information) during normal business hours for the Term of the Agreement for the purpose of confirming the Developer's compliance herewith.

SECTION 15. DEFAULT AND REMEDIES

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

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

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement with any person or entity if such failure has a material adverse effect on the Developer's ability to perform its obligations under this Agreement;

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

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

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

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

(g) the entry of any judgment or order against the Developer with respect to the Property or the Project in excess of \$200,000 which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) [intentionally omitted];

(i) the dissolution of the Developer;

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

(k) prior to the issuance of the Certificate of Completion, the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City if such sale or transfer would materially adversely affect the Developer's ability to perform its obligations hereunder;

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(l) Closure of the Project by the Developer during the Occupancy Period (a “Closure Default”);

(m) failure by the Developer to maintain the Minimum Job Creation during the Job Creation Period (a “Job Creation Default”); or

(n) failure by the Developer to deliver a Job Creation Default Notice.

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

15.02 Remedies.

(a) Upon the occurrence of an Event of Default pursuant to Section 15.01(a-k) above, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds; provided, however, that: (i) an Event of Default pursuant to Section 15.01(l), (m) or (n) above shall not also constitute an Event of Default pursuant to Section 15.01(a) above, and the City's remedy or remedies upon the occurrence of such an Event of Default shall be solely as set forth in Section 15.02(b), (c) or (d) below, respectively; and (ii) the occurrence of the circumstances described in Section 7.03 above shall not also constitute an Event of Default pursuant to Section 15.01(a) above, and the City's rights and remedies upon the occurrence of the circumstances described in Section 7.03 above shall be solely as set forth in Section 7.03 above. Subject to Sections 15.02(a)(i) and 15.02(b-d), the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

(b) Upon the occurrence of a Closure Default pursuant to Section 15.01(l) above, (i) the City shall be entitled to terminate this Agreement and terminate payments of the City Funds; and (ii) the Developer shall repay to the City a percentage of the previously disbursed City Funds as set forth below dependent upon during which Occupancy Period Year the Closure Default occurs.

Occupancy Period Year	Percentage of previously disbursed City Funds to be repaid
First through Fifth	100% (\$4,600,000 if \$4,600,000 in City Funds previously disbursed)
Sixth	80% (\$3,680,000 if \$4,600,000 in City Funds previously disbursed)
Seventh	60% (\$2,760,000 if \$4,600,000 in City Funds previously disbursed)
Eighth	40% (\$1,840,000 if \$4,600,000 in City Funds previously disbursed)
Ninth	20% (\$920,000 if \$4,600,000 in City Funds previously disbursed)
Tenth	10% (\$460,000 if \$4,600,000 in City Funds previously disbursed)

(c) Upon the occurrence of (i) a Job Creation Default pursuant to Section 15.01(m) above which the Developer does not cure as provided for in Section 15.03(b) below, or (ii) a second Job Creation Default pursuant to Section 15.01(m) above, which is not subject to cure, (i) the City shall

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be entitled to terminate this Agreement and terminate payments of City Funds; and (ii) the Developer shall repay to the City a percentage of the previously disbursed City Funds as set forth below dependent upon during which Job Creation Period Year the Job Creation Default occurs.

Job Creation Period Year	Percentage of previously disbursed City Funds to be repaid
First through Fifth	100% (\$4,600,000 if \$4,600,000 in City Funds previously disbursed)
Sixth	80% (\$3,680,000 if \$4,600,000 in City Funds previously disbursed)
Seventh	60% (\$2,760,000 if \$4,600,000 in City Funds previously disbursed)
Eighth	40% (\$1,840,000 if \$4,600,000 in City Funds previously disbursed)
Ninth	20% (\$920,000 if \$4,600,000 in City Funds previously disbursed)
Tenth	10% (\$460,000 if \$4,600,000 in City Funds previously disbursed)

(d) Upon the occurrence of an Event of Default pursuant to Section 15.01(n) above, interest shall not accrue upon the City Note unless and until the Developer cures such Event of Default pursuant to Section 15.01(r).

(e) The City shall also have the rights and remedies afforded to the City pursuant to Section 7.03 above under the circumstances described therein.

15.03 Curative Period.

(a) In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) business 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, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

(b) The Developer shall be allowed two non-consecutive Job Creation Cure Periods to cure non-consecutive Job Creation Defaults. The Developer shall evidence the cure of a Job Creation Default to DPD's satisfaction prior to the close of the applicable Job Creation Cure Period. Interest will not accrue on the City Note during a Job Creation Cure Period. No payment will be made on the City Note out of Available Incremental Taxes levied on the Property during or attributable on a pro rata basis to a Job Creation Period. The Developer shall not be allowed to cure a third or subsequent Job Creation Default.

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SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

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

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

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

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SECTION 17. NOTICE

Unless otherwise specified, any notice, demand, delivery 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, Illinois 60602
Attention: Commissioner
Fax: 312-744-2271

With Copies To: City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Fax: 312-744-8538

If to the Developer: Target Corporation
1000 Nicollet Mall
TPN-12J
Minneapolis, Minnesota 55426
Attention: Law Department
Fax: 612-696-8309

With Copies To: Polsky & Associates Ltd
205 North Michigan Avenue, 41st Floor
Chicago, Illinois 60601
Attention: Deborah A. Faktor
Fax: 312-540-0207

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 business 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

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

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

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

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

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

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

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship

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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 any of the TIF 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 of Completion or otherwise administering this Agreement for the City.

18.15 Assignment. Prior to the issuance of the Certificate of Completion, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

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

18.18 Exhibits. All of the exhibits attached hereto are incorporated herein by reference.

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

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

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

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any

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


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Property of Cook County Clerk's Office

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

TARGET CORPORATION

By: 
Scott Nelson
Vice President, Real Estate

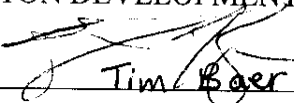
CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and Development

ACKNOWLEDGMENT AND CONSENT:

As of the day and year first above written, Dayton Development Company, a Minnesota corporation, hereby: (1) acknowledges the terms of this Agreement; and (2) consents to the recording and filing of this Agreement against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located.

DAYTON DEVELOPMENT COMPANY

By: 

Its: Sr. Vice President, Law

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STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

I, Mark Larson, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Scott Nelson, personally known to me to be the Vice President, real Estate of Target Corporation, a Minnesota corporation (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Developer, as his free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 15 day of August, 2008

Mark Larson
Notary Public



My Commission Expires 1/31/2010

(SEAL)

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STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

I, Mark Larson, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Tim Baer, personally known to me to be the Sr. Vice President, of Dayton Development Company, a Minnesota corporation (the "Owner"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of the Owner, as his/her free and voluntary act and as the free and voluntary act of the Owner, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 15 day of August, 2006.

Mark Larson
Notary Public



My Commission Expires 1/31/2010

(SEAL)

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

TARGET CORPORATION

By: _____
Scott Nelson
Vice President, Real Estate

CITY OF CHICAGO

By: John J. Daley
Commissioner
Department of Planning and Development

ACKNOWLEDGMENT AND CONSENT:

As of the day and year first above written, Dayton Development Company, a Minnesota corporation, hereby: (1) acknowledges the terms of this Agreement; and (2) consents to the recording and filing of this Agreement against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located.

DAYTON DEVELOPMENT COMPANY

By: _____

Its: _____

Property of Cook County Clerk's Office

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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 Lori T. Healey, 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 she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 15TH day of AUGUST, 2006.

Dionisia Leal
Notary Public

My Commission Expires 03/01/09



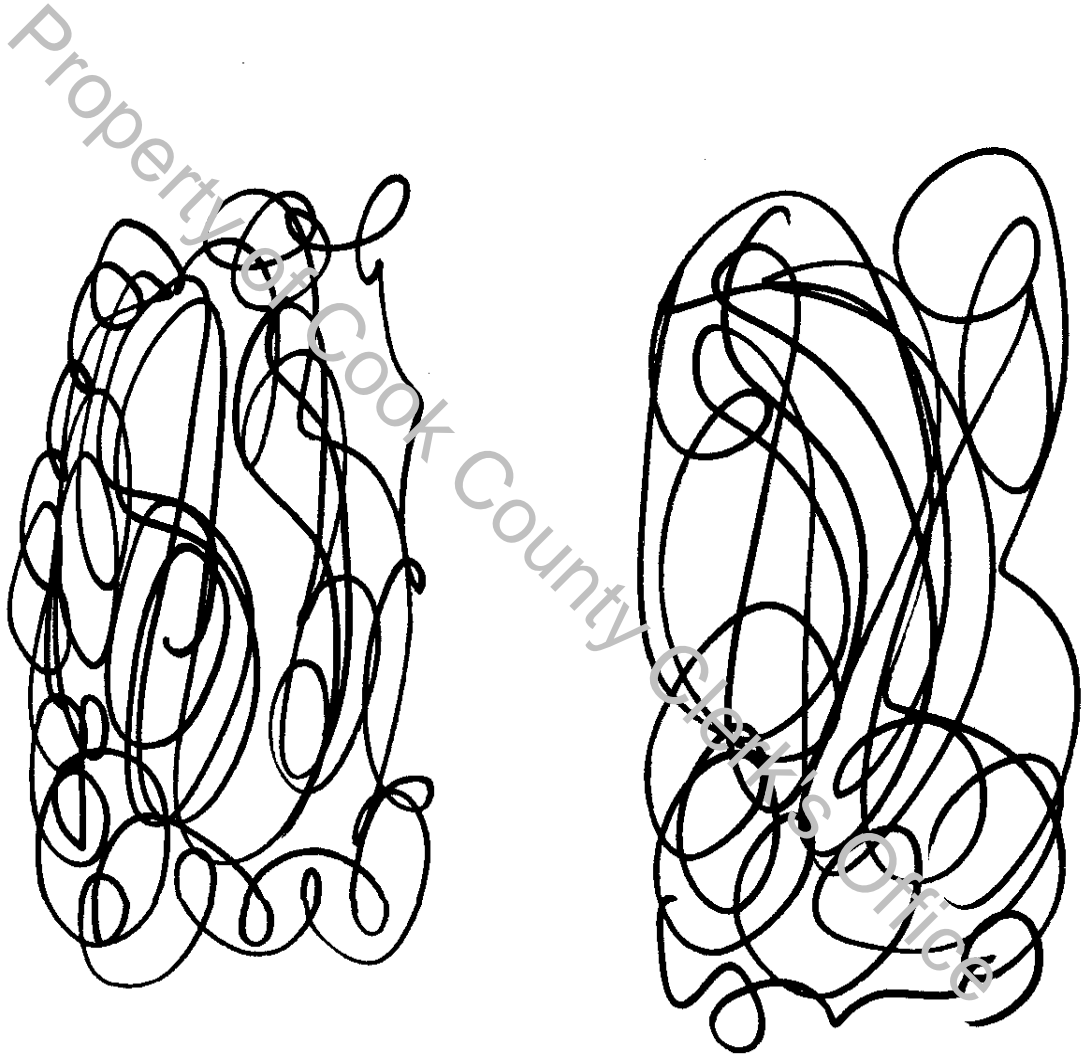
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Exhibit A

Redevelopment Area

(see attached)



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45118

JOURNAL--CITY COUNCIL--CHICAGO

4/6/2005

Exhibit "A".

Description Of Redevelopment Project Area.

Parcel 1:

The north 188.50 feet of Lots 5 and 6; Lots 7, 8, 9, 10 and 11 (except that portion of said lots taken for the widening of Peterson Avenue); Lots 12 and 13; the south 30.0 feet of the west 49.2 feet of Lot 14, all in Barbara Evert's Addition to High Ridge, in the northwest quarter of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The west 255.5 feet of the south 330 feet of the east 1,083.5 feet of the northwest quarter of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, except that part thereon lying south of a line 67 feet north of and parallel with the south line of the northwest quarter of Section 6 aforesaid, as conveyed by John Thillens and Theresa Thillens, his wife, to the City of Chicago, a municipal corporation, by Quitclaim Deed dated October 6, 1928, and recorded November 2, 1928 as Document Number 10195995, in Cook County, Illinois.

Together With:

That portion of the entire Norwood Street right-of-way adjacent to the aforesaid lying between the west line of Hamilton Avenue, on the west, and the northerly extension of a point 788.30 feet east of the west line of Hamilton Avenue, on the east;

Together With:

That portion of the entire Peterson Avenue right-of-way adjacent to the aforesaid lying between the southerly extension of the west line of the aforesaid, on the west, and a point 687.27 feet east of said southerly extension of the west line, on the east.

Exhibit "B".

Street Location Of Redevelopment Project Area.

2036 2136 West Peterson Avenue, Chicago, Illinois

and

2021 -- 2133 West Norwood Avenue, Chicago, Illinois.

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45118

JOURNAL--CITY COUNCIL--CHICAGO

4/6/2005

Exhibit "A".

Description Of Redevelopment Project Area.

Parcel 1:

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Parcel 2:

The west 255.5 feet of the south 330 feet of the east 1,083.5 feet of the northwest quarter of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, except that part thereof lying south of a line 67 feet north of and parallel with the south line of the northwest quarter of Section 6 aforesaid, as conveyed by John Thillens and Theresa Thillens, his wife, to the City of Chicago, a municipal corporation, by Quitclaim Deed dated October 6, 1928, and recorded November 2, 1928 as Document Number 10195995, in Cook County, Illinois.

Together With:

That portion of the entire Norwood Street right-of-way adjacent to the aforesaid lying between the west line of Hamilton Avenue, on the west, and the northerly extension of a point 788.30 feet east of the west line of Hamilton Avenue, on the east;

Together With:

That portion of the entire Peterson Avenue right-of-way adjacent to the aforesaid lying between the southerly extension of the west line of the aforesaid, on the west, and a point 687.27 feet east of said southerly extension of the west line, on the east.

Exhibit "B".

Street Location Of Redevelopment Project Area.

2036 2136 West Peterson Avenue, Chicago, Illinois

and

2021 -- 2133 West Norwood Avenue, Chicago, Illinois.

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JOURNAL--CITY COUNCIL--CHICAGO

4/6/2005

Exhibit "A".

Description Of Redevelopment Project Area.

Parcel 1:

The north 188.50 feet of Lots 5 and 6; Lots 7, 8, 9, 10 and 11 (except that portion of said lots taken for the widening of Peterson Avenue); Lots 12 and 13; the south 30.0 feet of the west 49.2 feet of Lot 14, all in Barbara Evert's Addition to High Ridge, in the northwest quarter of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The west 255.5 feet of the south 330 feet of the east 1,083.5 feet of the northwest quarter of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, except that part thereof lying south of a line 67 feet north of and parallel with the south line of the northwest quarter of Section 6 aforesaid, as conveyed by John Thillens and Theresa Thillens, his wife, to the City of Chicago, a municipal corporation, by Quitclaim Deed dated October 6, 1928, and recorded November 2, 1928 as Document Number 10195995, in Cook County, Illinois.

Together With:

That portion of the entire Norwood Street right-of-way adjacent to the aforesaid lying between the west line of Hamilton Avenue, on the west, and the northerly extension of a point 788.30 feet east of the west line of Hamilton Avenue, on the east;

Together With:

That portion of the entire Peterson Avenue right-of-way adjacent to the aforesaid lying between the southerly extension of the west line of the aforesaid, on the west, and a point 687.27 feet east of said southerly extension of the west line, on the east.

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Street Location Of Redevelopment Project Area.

2036 2136 West Peterson Avenue, Chicago, Illinois

and

2021 -- 2133 West Norwood Avenue, Chicago, Illinois.

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JOURNAL--CITY COUNCIL--CHICAGO

4/6/2005

Exhibit "A".

Description Of Redevelopment Project Area.

Parcel 1:

The north 188.50 feet of Lots 5 and 6; Lots 7, 8, 9, 10 and 11 (except that portion of said lots taken for the widening of Peterson Avenue); Lots 12 and 13; the south 30.0 feet of the west 49.2 feet of Lot 14, all in Barbara Evert's Addition to High Ridge, in the northwest quarter of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The west 255.5 feet of the south 330 feet of the east 1,083.5 feet of the northwest quarter of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, except that part thereof lying south of a line 67 feet north of and parallel with the south line of the northwest quarter of Section 6 aforesaid, as conveyed by John Thillens and Theresa Thillens, his wife, to the City of Chicago, a municipal corporation, by Quitclaim Deed dated October 6, 1928, and recorded November 2, 1928 as Document Number 10195995, in Cook County, Illinois.

Together With:

That portion of the entire Norwood Street right-of-way adjacent to the aforesaid lying between the west line of Hamilton Avenue, on the west, and the northerly extension of a point 788.30 feet east of the west line of Hamilton Avenue, on the east;

Together With:

That portion of the entire Peterson Avenue right-of-way adjacent to the aforesaid lying between the southerly extension of the west line of the aforesaid, on the west, and a point 687.27 feet east of said southerly extension of the west line, on the east.

Exhibit "B".

Street Location Of Redevelopment Project Area.

2036 2136 West Peterson Avenue, Chicago, Illinois

and

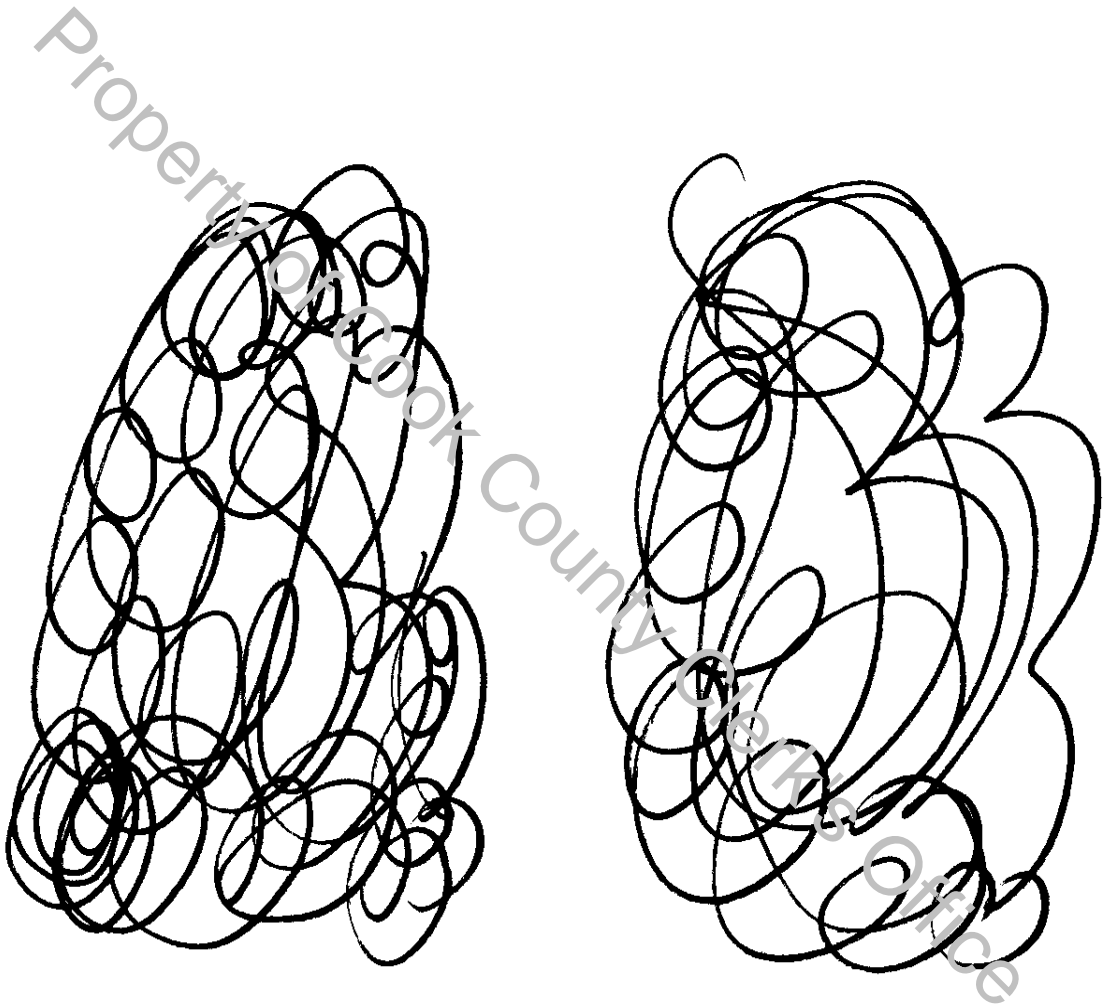
2021 -- 2133 West Norwood Avenue, Chicago, Illinois.

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Exhibit B

Property

(see attached)



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EXHIBIT B Legal Description of the Property

PARCEL 1:

THAT PART OF LOTS 7 THROUGH 10, BOTH INCLUSIVE, (EXCEPT THAT PORTION OF SAID LOTS TAKEN FOR THE WIDENING OF PETERSON AVENUE) IN BARBARA EVERT'S ADDITION TO HIGH RIDGE, IN THE NORTHWEST ¼ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE AFORESAID LOT 7 WITH THE NORTH LINE OF PETERSON AVENUE, AS WIDENED (BEING A LINE DRAWN 67.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE AFORESAID NORTHWEST ¼ OF SECTION 6); THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG SAID NORTH LINE OF PETERSON AVENUE, 280.96 FEET; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST 232.50 FEET TO THE POINT OF BEGINNING OF THE TRACT HEREIN DESCRIBED; THENCE CONTINUING NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST 72.44 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 69.81 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 30.83 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.48 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 1.86 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.48 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 12.14 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST 35.90 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 15.75 FEET; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.67 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 16.10 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 9.08 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 5.05 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS WEST 9.69 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF LOTS 7 THROUGH 10, BOTH INCLUSIVE, (EXCEPT THAT PORTION OF SAID LOTS TAKEN FOR THE WIDENING OF PETERSON AVENUE) IN BARBARA EVERT'S ADDITION TO HIGH RIDGE, IN THE

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NORTHWEST ¼ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE AFORESAID LOT 7 WITH THE NORTH LINE OF PETERSON AVENUE AS WIDENED (BEING A LINE DRAWN 67.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE AFORESAID NORTHWEST ¼ OF SECTION 6); THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG SAID NORTH LINE OF PETERSON AVENUE, 280.96 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 5.62 FEET TO THE POINT OF BEGINNING OF THE TRACT HEREIN DESCRIBED; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST 162.93 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 10.10 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 20.61 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 1.17 FEET; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 35.61 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 0.77 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 18.50 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 6.42 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 1.05 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 1.30 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 1.05 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 21.33 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 29.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 28.96 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 29.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 3.55 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE SOUTH 0

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DEGREES 00 MINUTES 00 SECONDS WEST 1.27 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 1.00 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 24.25 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 52.24 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST 0.72 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 12.40 FEET TO THE HERINABOVE DESIGNATED POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE NORTH 188.50 FEET OF LOTS 5 AND 6, LOTS 7, 8, 9, 10, AND 11 (EXCEPT THAT PORTION OF SAID LOTS TAKEN FOR THE WIDENING OF PETERSON AVENUE) LOTS 12 AND 13; THE SOUTH 30.0 FEET OF THE WEST 49.2 FEET OF LOT 14, ALL, IN BARBARA EVERT'S ADDITION TO HIGH RIDGE, AND EXCEPT THE FOLLOWING:

EXCEPTION ONE

THAT PART OF LOTS 7 THROUGH 10, BOTH INCLUSIVE, (EXCEPT THAT PORTION OF SAID LOTS TAKE FOR THE WIDENING OF PETERSON AVENUE) IN BARBARA EVERT'S ADDITION TO HIGH RIDGE, IN THE NORTHWEST $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT POINT OF INTERSECTION OF THE EAST LINE OF THE AFORESAID LOT 7 WITH THE NORTH LINE OF PETERSON AVENUE, AS WIDENED (BEING A LINE DRAWN 67.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE AFORESAID NORTHWEST $\frac{1}{4}$ OF SECTION 6), THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG SAID NORTH LINE OF PETERSON AVENUE, 280.96 FEET, THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 232.50 FEET TO THE POINT OF BEGINNING OF EXCEPTION ONE; THENCE CONTINUING NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 72.44 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 69.81 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 30.83 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.48 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.86 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.48 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 12.14 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST 35.90 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 15.75 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.67 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 16.10 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 9.08 FEET; THENCE NORTH 90 DEGREES 00

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MINUTES 00 SECONDS WEST 5.05 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS WEST 9.69 FEET TO THE HERINABOVE DESIGNATED POINT OF BEGINNING, AND ALSO EXCEPT

EXCEPTION TWO

THAT PART OF LOTS 7 THROUGH 10, BOTH INCLUSIVE, (EXCEPT THAT PORTION OF SAID LOTS TAKEN FOR THE WIDENING OF PETERSON AVENUE) IN BARBARA EVERT'S ADDITION TO HIGH RIDGE, IN THE NORTH WEST ¼ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE AFORESAID LOT 7 WITH THE NORTH LINE OF PETERSON AVENUE AS WIDENED (BEING A LINE DRAWN 67.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE AFORESAID NORTHWEST 1/4 OF SECTION 6); THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG SAID NORTH LINE OF PETERSON AVENUE, 280.96 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 5.62 FEET TO THE POINT OF BEGINNING OF EXCEPTION TWO; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 162.93 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 10.10 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 20.61 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 1.17 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 35.61 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 0.77 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 18.50 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 6.42 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 1.05 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.30 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 1.05 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 21.33 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 WEST; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 29.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 28.96 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00

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SECONDS WEST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 29.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 3.55 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.27 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 1.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 24.25 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 52.24 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 9.72 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 12.40 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

ALSO KNOWN AS

THAT PART OF LOTS 5 THROUGH 14, BOTH INCLUSIVE (EXCEPT THAT PORTION OF SAID LOTS TAKEN FOR WIDENING OF PETERSON AVENUE) IN BARBARA EVERT'S ADDITION TO HIGH RIDGE, IN THE NORTHWEST $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF LOT 7 WITH THE NORTH LINE OF PETERSON AVENUE, AS WIDENED (BEING A LINE DRAWN 67.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE AFORESAID NORTHWEST $\frac{1}{4}$ OF SECTION 6); THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID NORTH LINE OF PETERSON AVENUE, 432.00 FEET TO THE POINT OF INTERSECTION WITH THE WEST LINE OF LOT 11; THENCE NORTH 00 DEGREES 12 MINUTES 30 SECONDS EAST, ALONG THE WEST LINE OF LOT 11, A DISTANCE OF 263.0 FEET TO THE SOUTHEAST CORNER OF LOT 13; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG THE SOUTH LINE OF LOT 13, A DISTANCE OF 255.50 FEET TO THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTH 00 DEGREES 12 MINUTES 30 SECONDS EAST, ALONG THE WEST LINE OF LOTS 13 AND 14, A DISTANCE OF 130.10 FEET TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF THE SOUTH 30.00 FEET OF LOT 14; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG SAID NORTH LINE 49.20 FEET TO THE POINT OF INTERSECTION WITH THE EAST LINE OF THE WEST 49.20 FEET OF LOT 14, THENCE SOUTH 00 DEGREES 12 MINUTES 30 SECONDS WEST, ALONG SAID EAST LINE, 30.00 FEET TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF LOT 13; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE NORTH LINE OF LOTS 5, 6, 7, 8, 9, 10, 12, AND 13, A DISTANCE OF 788.30 FEET

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TO THE NORTHEAST CORNER OF LOT 5; THENCE SOUTH 00 DEGREES 12 MINUTES 30 SECONDS WEST, ALONG THE EAST LINE OF LOT 5, A DISTANCE OF 188.50 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF THE NORTH 188.50 FEET OF LOT 5; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG SAID SOUTH LINE, 150.00 FEET TO THE POINT OF INTERSECTION WITH THE EAST LINE OF LOT 7; THENCE SOUTH 00 DEGREES 12 MINUTES 30 SECONDS WEST, ALONG SAID EAST LINE, 174.60 FEET TO THE HEREINABOVE DESCRIBED POINT OF BEGINNING, EXCEPT THE FOLLOWING:

EXCEPTION ONE

THAT PART OF LOTS 7 THROUGH 10, BOTH INCLUSIVE, (EXCEPT THAT PORTION OF SAID LOTS TAKEN FOR THE WIDENING OF PETERSON AVENUE) IN BARBARA EVERT'S ADDITION TO HIGH RIDGE, IN THE NORTHWEST ¼ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE AFORESAID LOT 7 WITH THE NORTH LINE OF PETERSON AVENUE, AS WIDENED (BEING A LINE DRAWN 67.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE AFORESAID NORTHWEST ¼ OF SECTION 6); THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG SAID NORTH LINE OF PETERSON AVENUE, 280.95 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 232.50 FEET TO THE POINT BEGINNING OF EXCEPTION ONE; THENCE CONTINUING NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 72.44 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 69.81 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 30.83 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.48 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.86 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 0.48 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 12.14 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST 35.90 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 15.75 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.67 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 16.10 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 9.08 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 5.05 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS WEST 9.69 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING; AND ALSO EXCEPT

EXCEPTION TWO

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THAT PART OF LOTS 7 THROUGH 10, BOTH INCLUSIVE, (EXCEPT THAT PORTION OF SAID LOTS TAKEN FOR THE WIDENING OF PETERSON AVENUE) IN BARBARA EVERT'S ADDITION TO HIGH RIDGE, IN THE NORTHWEST ¼ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE AFORESAID LOT 7 WITH THE NORTH LINE OF PETERSON AVENUE AS WIDENED (BEING A LINE DRAWN 67.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE AFORESAID NORTHWEST ¼ OF SECTION 6, THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG SAID NORTH LINE OF PETERSON AVENUE, 280.96 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 5.62 FEET TO THE POINT OF BEGINNING OF EXCEPTION TWO; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 162.93 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 10.10 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 20.61 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 1.17 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 0.67 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 35.61 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 0.77 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 18.50 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 6.42 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 1.05 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.30 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 1.05 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 21.33 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 29.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 28.96 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 29.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00

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SECONDS EAST 0.11 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 3.55 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 1.00 WEST; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 1.27 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 1.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 24.25 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 52.24 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 0.72 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 12.40 FEET TO THE HERINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

THE WEST 255.5 FEET OF THE SOUTH 330 FEET OF THE EAST 1083.5 FEET OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THAT PART THEREOF LYING SOUTH OF A LINE 67 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 6 AFORESAID, AS CONVEYED BY JOHN THILLENS AND THERESA THILLENS, HIS WIFE, TO THE CITY OF CHICAGO, A MUNICIPAL CORPORATION, BY QUIT CLAIM DEED DATED OCTOBER 6, 1928 AND RECORDED NOVEMBER 2, 1928 AS DOCUMENT 10195995, IN COOK COUTNY, ILLINCIS.

ALSO KNOWN AS:

THAT PART OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE WEST LINE OF THE EAST 1083.50 FEET OF THE AFORESAID NORTHWEST $\frac{1}{4}$ OF SECTION 6 WITH A LINE DRAWN 67.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE AFORSAID NORTHWEST $\frac{1}{4}$ OF SECTION 6 (SAID LINE BEING THE NORTH LINE OF WEST PETERSON AVENUE AS CONVEYED BY JOHN THILLENS AND THERESA THILLENS, HIS WIFE, TO THE CITY OF CHICAGO, A MUNICIPAL CORPORATION, BY QUIT CLAIM DEED DATED OCTOBER 6, 1928 AND RECORDED NOVEMBER 2, 1928 AS DOCUMENT 10195995) THENCE NORTH 00 DEGREES 12 MINUTES 30 SECONDS EAST, ALONG THE AFORESAID WEST LINE OF THE EAST 1083.50 FEET, A DISTANCE OF 263.00 FEET TO POINT OF INTERSECTION WITH THE NORTH LINE OF THE SOUTH 330.0 FEET OF THE AFORESAID NORTHWEST $\frac{1}{4}$ OF SECTION 6; THENCE 90 DEGREES NORTH 00 MINUTES 00 SECONDS EAST, ALONG SAID NORTH LINE, 255.50 FEET TO THE POINT OF INTERSECTION WITH EAST LINE OF THE WEST 255.50 FEET OF THE EAST 1083.50 FEET OF THE AFORESAID NORTHWEST $\frac{1}{4}$ OF SECTION 6; THENCE SOUTH 00 DEGREES 12 MINUTES 30 SECONDS WEST, ALONG SAID EAST LINE, 263.00 FEET TO THE POINT OF

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INTERSECTION WITH THE AFORESAID NORTH LINE OF WEST PETERSON AVENUE; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG SAID NORTH LINE, 255.50 FEET TO THE HEREINABOVE DESCRIBED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PINS:

- 14-06-116-074-0000
- 14-06-116-075-0000
- 14-06-116-076-0000
- 14-06-116-077-0000
- 14-06-016-078-0000



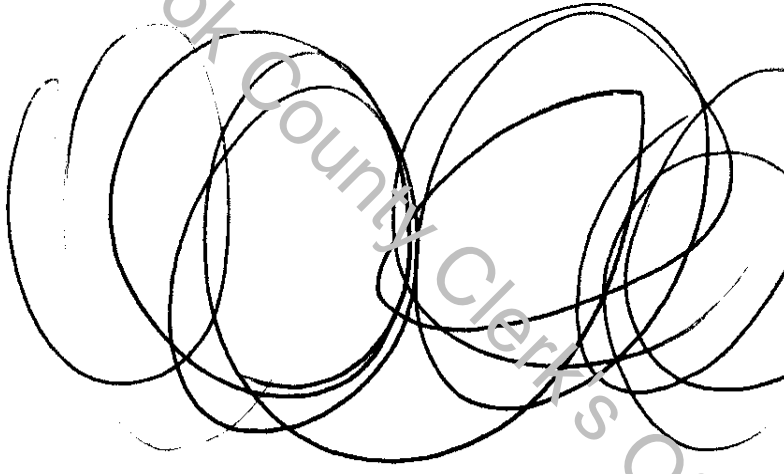
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Address: 2050 West Peterson Avenue
Chicago, Illinois 60659

Permanent Index Numbers: 14-06-116-074-0000
14-06-116-075-0000
14-06-116-076-0000
14-06-116-077-0000
14-06-116-078-0000

Property of Cook County Clerk's Office



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Exhibit C

TIF-Funded Improvements

Property assembly costs, including acquisition of land, demolition of buildings, site preparation, site improvements that serve as engineered barriers and the cleaning and grading of land	\$ 16,273,860
Cost of Studies, Surveys and Professional Services	\$ <u>935,742</u>
TOTAL	\$ 17,209,602

Note: Notwithstanding the total of TIF-Funded Improvements, the assistance to be provided by the City (that is, the amount of the City Funds) shall not exceed \$4,600,000.

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Exhibit G

Permitted Liens

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company on September 23, 2004, with Date Down endorsement dated 8/15, 2006, extending such policy through 8/15, 2006, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer, the Owner or the Project, other than liens against the Property, if any: None.

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	Total Project Costs
	Total Soft Costs
	Fees and Inspections
	Alta, Topography
	A & E
	<u>Soft Costs</u>
	Total Hard Costs
	Hard Cost Contingency
	Construction Hard Costs
	Site Improvements
	Site Prep
	Demolition
	Acquisition
	<u>Hard Costs</u>
\$40,448,695	
\$ 1,095,241	
\$ 159,499	
\$ 50,000	
\$ 885,742	
\$ 39,353,454	
\$ 1,131,307	
\$ 21,948,287	
\$ 3,131,446	
\$ 1,410,810	
\$ 294,000	
\$ 11,437,604	

Project Budget

Exhibit H-1

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	Hard Costs	
	Building Construction	\$18,578,989
	Demolition	\$294,000
	Site Prep	\$1,160,810
	Site Improvements	\$3,131,446
	Total Hard Costs	<u>\$23,165,245</u>
	Soft Costs	
	A & E	\$438,982
	Total Soft Costs	<u>\$438,982</u>
MBE/WBE Project Budget		\$23,604,227
MBE Total		\$5,665,014
WBE Total		<u>\$944,169</u>
Total		\$6,609,184

MBE/WBE Budget

Exhibit H-2

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KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$2,000,000 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the Certificate of Completion Date (as defined in the hereinafter defined Redevelopment Agreement). Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

REGISTERED NO. R-1
 MAXIMUM AMOUNT \$2,000,000 (subject to change)

UNITED STATES OF AMERICA
 STATE OF ILLINOIS
 COUNTY OF COOK
 CITY OF CHICAGO
 TAX INCREMENT ALLOCATION REVENUE NOTE
 (WEST RIDGE--PETERSON AVENUE REDEVELOPMENT PROJECT)
 TAXABLE SERIES 2006A

Registered Owner: Target Corporation
 Interest Rate: 6.5% per annum
 Maturity Date: Not later than December 31, 2010

Form of City Note

Exhibit M

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Principal of and interest on this Note paid from the Available Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due March 1 of each year until the earlier of the Maturity Date or until this Note is paid in full; the final payment of principal of and interest on this Note shall be due no later than the Maturity Date. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City and shall be maintained by the City Comptroller of the City, as registrar and paying agent (the "Registrar"), in any event not later than the close of business on the fifteenth day of the month immediately after to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner recorded in such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by in City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$2,000,000 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Target Corporation (the "Project"), which were acquired, constructed and installed in connection with the development of an approximately 6.41 acre site in the West Ridge--Peterson Avenue Redevelopment Project Area (the "Project Area") in the City, all in accordance with the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local

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Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on February 8, 2006 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues and incremental state and local sales tax revenues from the Property which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.** The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for

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redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount, less previous retirements, will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the term at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Target Corporation West Ridge--Peterson Avenue Redevelopment Agreement dated as of August 15, 2006 between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to acquire and construct the Project and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of

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such acquisition and construction in the amount of \$2,000,000 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions, and the City has reserved the right to offset liquidated damage amounts owed to the City against the principal amount outstanding under this Note. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred as defined in and in accordance with the terms of the Redevelopment Agreement. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

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IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the Deputy City Clerk of the City, all as of _____, 2006.

Mayor

(SEAL)
Attest: _____
Deputy City Clerk

**CERTIFICATE
OF
AUTHENTICATION**

Registrar
and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (West Ridge--Peterson Avenue Redevelopment Project), Taxable Series 2006A, of the City of Chicago, Cook County, Illinois.

City Comptroller
Date: _____

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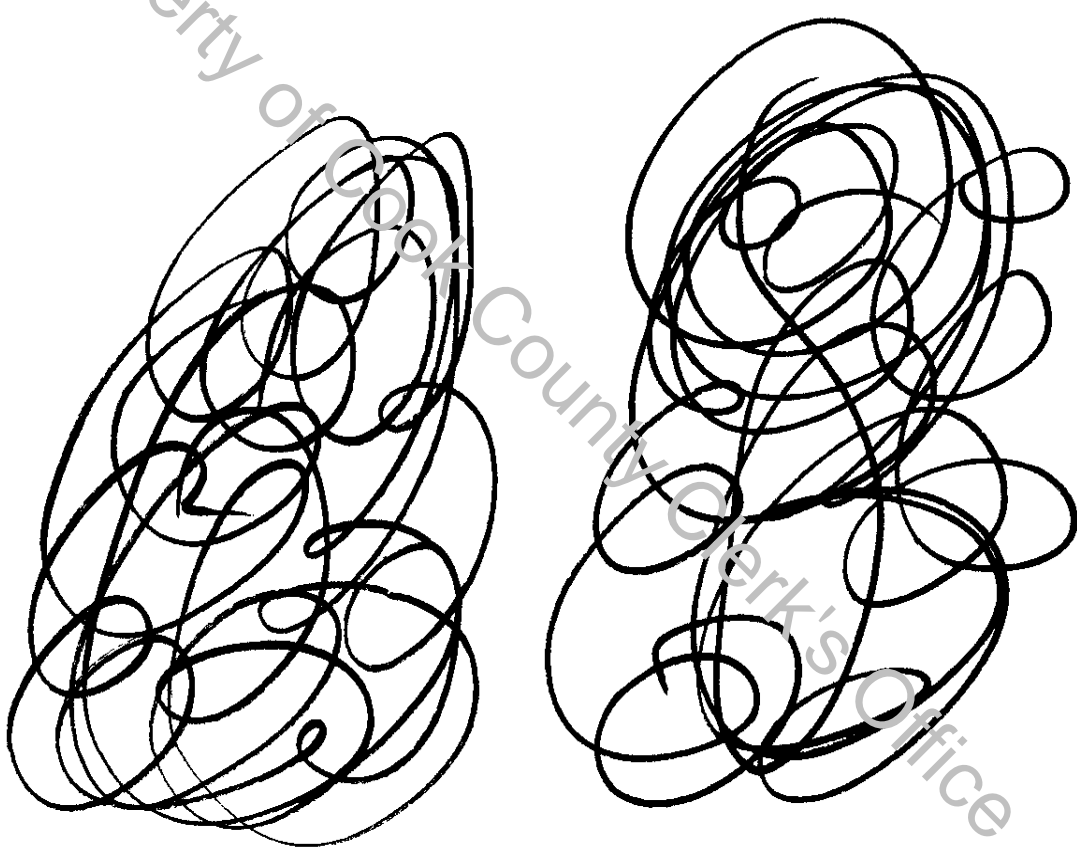
PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

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(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY:

ITS:

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CERTIFICATION OF EXPENDITURE

_____ (Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$2,000,000 Tax Increment Allocation Revenue Note
(West Ridge--Peterson Avenue Redevelopment Project, Taxable Series 2006A)
(the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on February 8, 2006 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$2,000,000 is advanced as principal under the Redevelopment Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is \$2,000,000, including the amount of this Certificate and less payment made on the Note.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of _____.

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and
Development

AUTHENTICATED BY:

REGISTRAR