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CENTRAL LOOP REDEVELOPMENT PROJECT AREA

UNITED AIR LINES REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

UAL CORPORATION

AND

UNITED AIR LINES, INC.

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

Box 400-CTCC

PINs:

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LIST OF EXHIBITS

Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	Construction Contract
Exhibit F	Guarantee
Exhibit G	*Permitted Liens
Exhibit H-1	*Project Budget
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Exhibit I	Approved Prior Expenditures
Exhibit J	Opinion of Developer's Counsel
Exhibit K	Requisition Form
Exhibit L	*Notice of Proposed Approved Successor
Exhibit M	Form of Payment Bond

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

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

UNITED AIR LINES REDEVELOPMENT AGREEMENT

This United Air Lines Redevelopment Agreement (this "**Agreement**") is made as of this 6th day of May, 2008, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), and UAL Corporation, a Delaware corporation ("**UAL**") and United Air Lines, Inc., a Delaware corporation ("**United**"), together with UAL, collectively, 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.

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C. **City Council Authority:** To induce redevelopment pursuant to the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on June 20, 1984 and amended and supplemented the ordinances on February 7, 1997; May 17, 2000 and July 9, 2003: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Central Loop Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Central Loop 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 Central Loop 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 presently maintains its national and international corporate and operational headquarters in Elk Grove Village, Illinois. The Developer intends to relocate its national and international corporate headquarters to the real property located within the Redevelopment Area and commonly known as 77 West Wacker Drive, Chicago, Illinois and legally described on **Exhibit B** hereto (the "**Property**"), while its operational headquarters will remain in Elk Grove Village, Illinois. In connection with such relocation, United has executed that certain Lease dated October 6, 2006 by and between 77 West Wacker Drive, L.L.C., as landlord, and United, as tenant (as amended from time to time, the "**Lease**"), pursuant to which United shall, among other matters, lease approximately 137,000 rentable square feet of space on floors 8 through 14 as well as lobby and mezzanine space (the "**United Space**") of the building located on the Property (the "**Building**") for an initial period of fifteen (15) years with two 5-year renewal options and have the right to lease additional space in the Building, subject to the terms and conditions contained therein. Upon such relocation, and during the Term of this Agreement (as hereinafter defined), the portion of the Building leased and occupied by the Developer, which shall consist of a minimum of 100,000 square feet throughout the Term of this Agreement, will be the principal office of the Developer's national and international business and the site which the Developer's principal executive officers have designated as their principal offices (the "**Headquarters**"). In connection with its occupancy of the Building, United shall construct substantial tenant improvements necessary to permit United to take possession in accordance with the terms of the Lease. Such relocation will create a substantial public benefit through its creation of approximately 365 FTE jobs (as hereinafter defined). The construction of tenant improvements in the United Space (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibit C**), the installation of signage for the Developer and lobby improvements to establish a dedicated Developer security desk, are collectively referred to herein as the "**Rehabilitation Project**." The Rehabilitation Project and the use of the United Space as the Developer's national and international corporate headquarters 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 Central Loop Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "**Redevelopment Plan**") attached hereto as **Exhibit D**.

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

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

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

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

"Approved Successor" shall mean any Affiliate of Developer, any entity with whom Developer merges or consolidates or engages in any reorganization, or any entity succeeding to all or a majority interest in the business or assets (or both) of Developer which, as of the date of such merger, consolidation, reorganization or succession (the "**Transaction**"), (a) leases and occupies at least 100,000 square feet of office space in the Building, (b) uses such space in the Building for the corporate headquarters and the principal office of the national and international business for the proposed Approved Successor and its Affiliates and the site which the principal executive officers of the proposed Approved Successor and its Affiliates have designated as their principal offices, and (c) has at least the number of FTE jobs at the Building as required under the Jobs Covenant, in each case in accordance with the terms of this Agreement. In connection with a proposed Transaction, not less than one business day after the public announcement of the proposed Transaction and at least ten business days before closing of the Transaction, (x) Developer shall deliver to the City a Notice of Proposed Approved Successor in the form of Exhibit L and (y) the proposed Approved Successor shall deliver to the City the Assumption Agreement.

"Assumption Agreement" shall mean the Assumption Agreement in the form attached as Schedule 2 to Exhibit L.

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

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

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

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

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

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

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

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

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

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

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

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

"DCEO" shall mean the Illinois Department of Commerce and Economic Opportunity.

"DCEO Grant Agreement" shall mean that certain Prime Sites Grant Agreement, made pursuant to Notice of Grant Award No. 07-204005 and bearing a latest execution date of January 25, 2007, between DCEO and United.

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

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

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

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

"Extension Notice" shall have the meaning set forth in **Section 8.06** hereof.

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"Final Project Cost" shall have the meaning set forth in **Section 7.01** hereof.

"Financial Statements" shall mean Developer's Form 10-K Annual Reports as most recently filed with the United States Securities and Exchange Commission, which annual reports shall be based on audited financial statements of the Developer prepared by a certified public accountant in accordance with generally accepted accounting principles.

"First Anniversary" shall mean the one-year anniversary of the date the Certificate is issued.

"Full-Time Equivalent Employee" or **"FTE"** shall mean an employee of the Developer or an Affiliate (or, with respect to job shares or similar work arrangements, such employees taken collectively) who is employed in a permanent corporate headquarters position at least 35 hours per week at the Building during the applicable month, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by the Developer or by third parties in positions ancillary to the Developer's operations at the Building including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

"General Contractor" shall mean Clune Construction, the general contractor(s) selected and hired by the Developer pursuant to **Section 6.01**.

"Grant Agreement" shall mean the Grant Agreement dated as of May 6, 2008 by and between the City and the Developer.

"Guarantee" shall mean the Guarantee dated of the date hereof made by UAL in favor of the City in the form attached as **Exhibit F**.

"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.

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

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

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

"Indemnitees" shall have the meaning set forth in **Section 13.01** hereof.

"Interior Build-out" shall mean the completion of all rehabilitation activities for the Rehabilitation Project associated with the line items in the Project Budget that appear under the "Hard Costs" heading, including without limitation cabling infrastructure, security equipment, audiovisual and signage.

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

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"Landlord" shall mean 77 West Wacker Drive, L.L.C.

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

"LEED Certification" shall mean a basic Certification of the Rehabilitation Project under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System maintained by the U.S. Green Building Council and applicable to commercial interiors.

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

"Letter of Credit" shall mean the initial irrevocable, direct pay Letter of Credit naming the City as the sole beneficiary for the Letter of Credit amount delivered to the City pursuant to **Section 4.03 (b)** hereof, and, unless the context or use indicates another or different meaning or intent, any substitute Letter of Credit delivered to the City, in form and substance satisfactory to the City in its sole and absolute discretion and any extensions thereof.

"Letter of Credit Amount" shall mean, during each period specified below, an amount equal to the indicated percentage of the City Funds, where **"Year 1"** means the period from the date the Certificate is issued through the First Anniversary, **"Year 2"** means the period from the First Anniversary through the second anniversary of the date the Certificate is issued, and so on; **provided, however**, that the schedule below shall be extended by one year if the Developer delivers an Extension Notice and cures the applicable Event of Default within the one-year period during which the Extension Notice was delivered.

Example 1: No Extension Notice is delivered, or an Extension Notice is delivered but the applicable Event of Default is not cured within the one-year period during which the Extension Notice was delivered.

Time Period	Percentage of City Funds	Dollar Amount (assuming City Funds equal \$5,475,000)
Year 1	100%	\$5,475,000
Year 2	90%	\$4,927,500
Year 3	67%	\$3,668,250
Year 4	50%	\$2,737,500
Year 5	40%	\$2,190,000
Year 6	25%	\$1,368,750
Year 7	25%	\$1,368,750
Year 8	10%	\$547,500
Year 9	5%	\$273,750
Year 10	0%	\$0

Example 2: An Extension Notice is delivered in Year 3 and the applicable Event of Default is cured within the one-year period during which the Extension Notice was delivered.

Time Period	Percentage of City Funds	Dollar Amount (assuming City Funds equal \$5,475,000)
Year 1	100%	\$5,475,000
Year 2	90%	\$4,927,500
Year 3	67%	\$3,668,250
Year 4	50%	\$2,737,500
Year 5	40%	\$2,190,000
Year 6	25%	\$1,368,750
Year 7	25%	\$1,368,750
Year 8	10%	\$547,500
Year 9	5%	\$273,750
Year 10	0%	\$0

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Year 1	100%	\$5,475,000
Year 2	90%	\$4,927,500
Year 3	67%	\$3,668,250
Year 4	67%	\$3,668,250
Year 5	50%	\$2,737,500
Year 6	40%	\$2,190,000
Year 7	25%	\$1,368,750
Year 8	25%	\$1,368,750
Year 9	10%	\$547,500
Year 10	5%	\$273,750
Year 11	0%	\$0

"Material Amendment" shall mean an amendment (other than as described in the last sentence of this paragraph) of the Lease the net effect of which is to directly or indirectly do any of the following: (a) materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or other monetary amounts payable (or monetary credits) under the Lease, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under the Lease of the amendment; or (b) shorten the initial 15-year term of the Lease or grant additional early termination rights that, if exercised, would shorten the initial 15-year term of the Lease. Reductions or expansions of space pursuant to the express expansion or contraction rights granted in the Lease in effect as of the date hereof shall not constitute Material Amendments.

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

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

"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 United Space or the Project and chargeable only to the Developer.

"Officers" shall mean the Developer's chief executive officer, chief financial officer, and senior officer-level employees performing the primary executive and financial functions for the Developer's corporate headquarters.

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

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

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

"Planned Development" shall mean the Business Planned Development (BPD) No. 375.

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

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 Rehabilitation 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.

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

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

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

Survey shall mean that certain survey of the Property, consisting of 13 pages, prepared by National Survey Service, Inc. and bearing a most recent revision date of October 3, 2003.

Term of the Agreement shall mean the period of time commencing on the Closing Date and ending on the later of: (a) eleven years after the date of the issuance of the Certificate or (b) the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2008).

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

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

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

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

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"Title Company" shall mean Chicago Title Insurance Company.

"Title Policy" shall mean a leasehold title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property and, a subordination agreement in favor of the City with respect to previously recorded liens against the Property, if any, related to Lender Financing, if any, issued by the Title Company, and containing only those title exceptions listed as Permitted Liens on Exhibit G hereto.

"United Space" shall have the meaning set forth in the Recitals hereof; provided, however, that so long as the Developer continues to lease and occupy at least 100,000 square feet in the United Space, the "United Space" shall not include space beyond this 100,000 square feet that the Developer has subleased or released in accordance with the terms of the Lease and this Agreement including Section 8.23.

"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 Rehabilitation Project, the Developer shall, pursuant to the Plans and Specifications and the Lease and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than January 1, 2007; and (ii) complete the Rehabilitation Project and conduct business operations in the United Space no later than January 1, 2008. With respect to the use of the United Space as the Developer's national and international corporate headquarters, the Developer shall be bound by the Operating Covenants, Job Covenants and other obligations and deadlines described in Section 8.06 and elsewhere in this Agreement.

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, the Planned Development and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Rehabilitation Project in an amount not less than Twenty-Two Million Nine Hundred Eighty-One Thousand Five Hundred and Fifteen Dollars (\$22,981,515). The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing, proceeds from the DCEO Grant Agreement and Equity described in Section 4.02 hereof, shall be sufficient to complete the Rehabilitation Project. The Developer hereby certifies to the City that (a)

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it has proceeds from the DCEO Grant Agreement and Equity in an amount sufficient to pay for all Rehabilitation 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. Except as provided below in this **Section 3.04**, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Rehabilitation Project must be submitted by the Developer to DPD concurrently with the progress reports described in **Section 3.07** hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of the United Space by five percent (5%) or more (either individually or cumulatively) or below 100,000 square feet; (b) a change in the use of the United Space to a use other than as described in **Recital D** to this Agreement; (c) a delay in the completion of the Rehabilitation Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Rehabilitation Project of ten percent (10%) or more. 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 said City approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this **Section 3.04**, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this **Section 3.04**, but DPD shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

3.05 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Rehabilitation 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 Rehabilitation 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 Rehabilitation Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to **Section 3.04**). The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

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3.08 Inspecting Agent or Architect. If requested by DPD, an independent agent or architect (other than the Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Rehabilitation Project. The inspecting agent or architect shall perform periodic inspections with respect to the Rehabilitation Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Rehabilitation 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.

3.10 Signs and Public Relations. If requested by DPD and consented to by the Landlord, the Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Rehabilitation Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the 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 Rehabilitation Project is estimated to be Twenty-Two Million Nine Hundred Eighty-One Thousand Five Hundred and Fifteen Dollars (\$22,981,515), to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$14,925,227
Tenant Improvement Allowance under Lease	\$ 7,056,288
DCEO Grant	<u>\$ 1,000,000</u>
ESTIMATED TOTAL	\$22,981,515

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Rehabilitation Project cost, including but not limited to Redevelopment Project Costs.

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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 Rehabilitation Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to **Sections 4.03(b) and 4.05(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. The City Funds shall be disbursed to the Developer in one installment following the issuance of the Certificate to the Developer by DPD.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes	\$5,475,000

provided, however, that (a) the total amount of City Funds shall be reduced by \$250,000 if the City determines prior to issuing the Certificate that the United Space is unlikely to achieve a LEED Certification; provided, further, that if the Developer achieves a LEED Certification and provides the City with evidence acceptable to the City of such LEED Certification prior to October 1, 2008, then DPD shall disburse \$250,000 to the Developer within 30 days after Developer provides the City with such evidence, and (b) in the event that the Final Project Cost is less than \$20 million, the total amount of City Funds shall be reduced by \$.75 for every \$1.00 (or portion thereof) by which the Final Project Cost is less than \$20 million; and provided further, that the \$5,475,000 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

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

(ii) The Developer shall deliver to the City the Letter of Credit in the applicable Letter of Credit Amount.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$5,475,000 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above.

4.04 Requisition Form. On the Closing Date and when the Developer submits documentation to the City in connection with a request for the payment of the City Funds as described in **Section 4.03(a)**, beginning on the first request for payment and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein. The Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

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

4.06 Cost Overrun. 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 Rehabilitation 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 Rehabilitation Project.

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

- (a) the total amount of the request for disbursement represents the actual cost of the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Rehabilitation Project, and/or their payees;
- (b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;
- (c) the Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;
- (d) the representations and warranties contained in this Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained herein;
- (e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;
- (f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and

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

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

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

SECTION 5. CONDITIONS PRECEDENT

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

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

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complete the Rehabilitation Project. The Developer has delivered to DPD a copy of the construction escrow agreement, if any, entered into by the Developer regarding the Lender Financing. Any liens against the United Space related to Lender Financing 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 United Space, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on **Exhibit G** hereto and evidences the recording of this Agreement pursuant to the provisions of **Section 8.18** hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including 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, documentation related to the lease of the United Space 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 for United and UAL as follows:

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

showing no liens against the Developer relating to the Project, the Property or any fixtures now or hereafter affixed to the United Space, 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 United Space in accordance with **Section 12** hereof, and has delivered certificates required pursuant to **Section 12** hereof evidencing the required coverages to DPD.

5.09 Opinion of 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.

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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, and audited or unaudited interim financial statements.

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 all environmental reports or audits, if any, obtained by the Developer or Landlord with respect to the Property, together with notices addressed to the Developer or provided by Landlord to the Developer from any agency regarding environmental issues at the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed audit(s) for the Developer, authorizing the City to rely on such audits.

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

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

5.16 Lease. A complete copy of the Lease, and all other written agreements setting forth the parties' understandings relating to the Developer's relocation to or occupancy of the United Space and any financial agreements between the parties in any way relating to the Property, the United Space or the Lease, jointly certified by the Developers, shall have been delivered to the City.

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SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. Prior to entering into the Construction Contract with the General Contractor and any agreement with any subcontractor for construction of the Rehabilitation Project, the Developer solicited, or caused the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago. For the TIF-Funded Improvements, the Developer selected the General Contractor (or caused the General Contractor to select the subcontractor) submitting the lowest responsible bid who could complete the Rehabilitation Project in a timely manner. The Developer has submitted copies of the Construction Contract to DPD in accordance with **Section 6.02** below. Upon request by DPD, 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 such request. The Developer ensured that the General Contractor did not (and caused the General Contractor to ensure that the subcontractors did not) begin work on the Rehabilitation Project until all requisite permits had been obtained.

6.02 Construction Contract. The Developer has delivered to DPD and Corporation Counsel a certified copy of the Construction Contract with the General Contractor selected to handle the Rehabilitation Project in accordance with **Section 6.01** above. Within ten (10) business days after execution of any modifications, amendments or supplements to such 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 such modifications, amendments or supplements.

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Rehabilitation 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 N** hereto. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of **Section 10** hereof; provided, however, that the contracting, hiring and testing requirements for the MBE/WBE and City Residency obligations in **Section 10** shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default under or termination of this Agreement or require the payment of the City resident hiring shortfall amount so long as such **Section 10** obligations are satisfied on an aggregate basis.

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

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SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the Rehabilitation Project in accordance with the terms of this Agreement, and upon the Developer's written request, which shall include a final Project budget detailing the total actual cost of the construction of the Rehabilitation Project (the "**Final Project Cost**"), DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Rehabilitation Project in accordance with the terms of this Agreement. The Certificate will not be issued until the following requirements have been met, as supported by such evidence as the City may require in its sole discretion:

- (i) The Developer has completed construction of the Interior Build-out according to the Plans and Specifications;
- (ii) The Final Project Cost incurred by the Developer is at least \$20 million; provided, however, that in the event that the Final Project Cost is less than \$20 million, the total amount of City Funds shall be reduced by \$.75 for every \$1.00 (or portion thereof) by which the Final Project Cost is less than \$20 million, as described in **Section 4.03(b)**;
- (iii) 325 FTEs have been relocated to the United Space;
- (iv) The Officers have relocated their principal offices to the United Space;
- (v) Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for the Rehabilitation Project;
- (vi) The City's Monitoring and Compliance Unit has verified that the Developer is in full compliance with City requirements set forth in **Section 10 (including, without limitation, Sections 10.02 and 10.03), Section 3.01** and **Section 8.09** (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Rehabilitation Project, and that 100% of the Developer's MBE/WBE Commitment in **Section 10.03** has been fulfilled;
- (vii) The Developer has incurred costs for TIF-Funded Improvements in an amount equal to or higher than \$5,475,000;
- (viii) The Developer delivered the Letter of Credit as set forth in **Section 4.03(b)**;
- (ix) The Developer has registered the United Space for, and is in the process of, receiving a LEED Certification; provided, however, that if the City determines prior to issuing the Certificate that the United Space is unlikely to achieve a LEED Certification, then the total amount of City Funds shall be reduced by \$250,000, as described in **Section 4.03(b)**;
- (x) The Public Benefits contribution has been made in full pursuant to **Section 8.20**; and

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

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

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

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

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

(a) the right to terminate this Agreement, the Grant Agreement and any other related agreements to which the City and the Developer are or shall be parties, cease all disbursement of City Funds not yet disbursed pursuant hereto, draw down the entire amount of the Letter of Credit and/or make a demand under the Guarantee; and

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

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

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

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

(a) the Developer is a Delaware corporation duly organized, validly existing, qualified to do business in its state of incorporation/organization 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 Developer shall maintain good, indefeasible and merchantable leasehold title to the United Space free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to **Section 8.15** hereof);

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

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

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

(h) the Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money 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) during the term of this Agreement, except for Transactions with Approved Successors, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation except with an Approved Successor; (2) sell, transfer,

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convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property in which it has an interest (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or except to an Approved Successor; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity to the extent that such action would have an adverse effect on Developer's ability to perform its obligation under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the United Space (or improvements thereon) other than the 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, except Lender Financing disclosed in the Project Budget; and

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

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

8.02 Covenant to Redevelop. Upon 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 and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the leasehold interest in the United Space and be binding upon any transferee of the United Space, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

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

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

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

8.06 Job Creation and Retention; Covenant to Remain in the City.

(a) **Operating Covenant.** The Developer hereby covenants and agrees to maintain its Headquarters at the Building and to lease and occupy a minimum of 100,000 square feet at the Building throughout the term of the Lease (collectively, the "**Operating Covenant**") throughout the Compliance Period defined below; provided that if an Approved Successor succeeds to the Developer's assets or operations, such headquarters obligation shall be satisfied so long as such Approved Successor maintains operations at the Building as the principal place of business for one or more of the Approved Successor's significant business units having revenues, operations and employees equal to or greater than those of the Developer prior to the transaction that resulted in the Approved Successor becoming party to this Agreement. The "**Compliance Period**" shall mean the longer of (1) if the Developer does not deliver an Extension Notice (defined below), a period beginning on the date the Certificate is issued and ending on the 10th anniversary of the date the Certificate is issued, and (2) if the Developer delivers an Extension Notice and cures the applicable Event of Default during the one-year period in which the Extension notice was delivered, a period beginning on the date the Certificate is issued and ending on the 11th anniversary of the date the Certificate is issued. A default under the Operating Covenant shall constitute an Event of Default without notice or opportunity to cure.

In the event and as part of the terms of any merger, consolidation or reorganization of the Developer during the Compliance Period, the Approved Successor shall be bound by and shall agree to assume and comply with the terms, conditions, covenants, representations and warranties set forth in the Agreements (as defined in the Assumption Agreement) which, by their terms, are binding upon Developer including the Operating Covenant with respect to the Approved Successor and its Affiliates and the Jobs Covenant. The Approved Successor shall be required to deliver a substitute Letter of Credit and a substitute Guarantee in form and substance satisfactory to the City in its sole and absolute discretion.

(b) **Jobs Covenant.** The Developer, directly or through one or more Affiliates, shall adhere to the following job relocation, creation and retention standards throughout the Compliance Period (collectively the "**Jobs Covenant**");

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- (i) Prior to the date the Developer requests the City to issue the Certificate under **Section 7.01**, at least 325 FTE jobs shall be relocated from outside the City to the Headquarters;
- (ii) On the First Anniversary, at least 365 non-Chicago FTE jobs shall have been relocated to the Headquarters from outside the City and/or created at the Headquarters; and
- (iii) Throughout the Compliance Period, at least 325 FTE jobs shall be maintained and/or created at the Headquarters.

Beginning six months after the issuance of the Certificate and throughout the Compliance Period, the Developer shall submit semi-annual certified employment reports disclosing compliance with the Jobs Covenant to DPD. The Developer agrees that it shall act in good faith and, among other things, shall not hire temporary workers or relocate workers for short periods of time for the primary purpose of avoiding a breach of the Jobs Covenant. The employment report shall include the names and titles of FTEs employed at the Headquarters as of the end of the six-month period. For each FTE position that is vacant as of the end of a compliance year, the Developer shall list the name of the person that previously held the position and the date the position became vacant, and provide evidence satisfactory to the City that the Developer is actively seeking to fill the vacant position. If the position was vacant during the first six (6) months of a compliance year, the position will not count towards the Jobs Covenant.

(c) **Jobs Covenant Default and Payment.** If the Developer defaults under the Jobs Covenant described in **Section 8.06(b)(ii)** above and the actual number of FTE jobs on the First Anniversary is 361, 362, 363 or 364, then the Developer's only cure and the City's only remedy for such a default shall be as follows: the Developer shall pay the City within one month after the First Anniversary an amount equal to \$20,000 times the difference between the actual number and 365. For example, if the actual number of jobs is 361, the Developer would be required to pay the City \$80,000 (4 times \$20,000). If such default is not cured by such payment within one month after the First Anniversary, then the City may draw upon the Letter of Credit to satisfy any payment obligation; provided, however, that if the City is unable to make a draw upon the Letter of Credit or such draw is made but not paid, then an Event of Default shall exist without notice or opportunity to cure.

(d) **Jobs Covenant Default and Cure Period.** If the Developer (1) defaults under the Jobs Covenant described in **Section 8.06(b)(ii)** because the number of FTE jobs on the First Anniversary is 360 or fewer or (2) defaults under the Jobs Covenant described in **Section 8.06(b)(iii)** above, an Event of Default shall not be declared with respect to such default if the Developer, upon irrevocable written notice (the "**Extension Notice**") accompanying the certified employment report, elects to extend the Compliance Period by one year to the eleventh (11th) anniversary of the date the Certificate is issued. The one-year period during which the Extension Notice is given shall be the only cure period allowed for a default by Developer of the Jobs Covenant as described in this paragraph; no other notice or cure periods shall apply thereto and if such default is not cured within such one-year period then the Compliance Period shall not be extended and an Event of Default shall exist without notice or opportunity to cure. If the Developer has not delivered a permitted Extension Notice then any default by the Developer under the Jobs Covenant shall constitute an Event of Default without notice or opportunity to cure. The Developer shall be entitled to deliver one Extension Notice. If the Developer has delivered an Extension Notice, then any subsequent default by the Developer of the Jobs Covenant as described in this paragraph shall constitute an Event of Default without notice or opportunity to cure.

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(e) Covenants Run with the Leasehold Interest; Remedy. The covenants set forth in this **Section 8.06** shall run with the leasehold interest in the United Space and be binding upon any transferee of the United Space. In the event of a default for any of the covenants in this **Section 8.06**, the City shall have the right to recapture the full amount of all City Funds previously paid or disbursed to the Developer for the Project by drawing down the entire amount of the Letter of Credit and/or making a demand under the Guarantee if such default(s) is/are not cured during the applicable cure period, if any, and to exercise any other remedies described or referred to in this Agreement.

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

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

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

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

8.10 Arms-Length Transactions. Unless DPD 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.

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

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

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended 2006 and each year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges. (a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the United Space or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the United Space 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) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

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

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. 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. Notwithstanding the recordation of this Agreement, the City and Developer agree and acknowledge that this Agreement is not intended to bind and shall not bind (a) any portion of the Property other than the United Space, (b) the Landlord or the Landlord's successors, transferees and assigns in its or their capacity as landlord, or (c) tenants of the Property, in their capacity as tenants, other than Developer and their successors, transferees and assigns including any Approved Successor.

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 United Space or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the United Space or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to the Developer, the United Space 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

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Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

(i) 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 United Space to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

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

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

(c) [Intentionally omitted.]

8.20 Public Benefits Program. On the Closing Date, the Developer agrees to contribute \$100,000 to the Chicago Department of Transportation towards riverwalk improvements that are planned along West Wacker Drive between LaSalle Street and Michigan Avenue.

8.21 Leasehold Title Policy. On the Closing Date, the Developer shall furnish the City with a copy of the Leasehold Title Policy for the United Space, certified by the Title Company, showing fee simple title to the Property in the Landlord under the Lease, subject to the leasehold interest of the Developer under the Lease, with the Developer as the insured with respect to the leasehold interest in the United Space. The Leasehold Title Policy shall be dated as of the date the Lease or a memorandum thereof is recorded and shall contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Leasehold Title Policy also shall contain such endorsements as may be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer shall provide to DPD, on or prior to the date the Closing Date, a copy of the executed Lease and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Leasehold Title Policy and any endorsements thereto.

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8.22 Letter of Credit. As a condition to the issuance of the Certificate, the Developer shall deposit with the City the Letter of Credit in the applicable Letter of Credit Amount. The Developer shall maintain a valid Letter of Credit in the applicable Letter of Credit Amount throughout the Compliance Period.

8.23 Lease. Throughout the Compliance Period the Developer shall not (a) execute or consent to a Material Amendment or (b) sell, sublease, release, assign or otherwise transfer its interest in the Lease without the prior written consent of DPD, which consent shall be in DPD's sole discretion; provided, however, that so long as the Developer continues to lease and occupy at least 100,000 square feet in the United Space, the Developer may sublease or release portions of the United Space beyond this 100,000 square feet upon written notice to, rather than the consent of, DPD.

8.24 LEED Certification. Within two years after the Certificate is issued, the Developer shall provide evidence acceptable to the City that LEED Certification has been obtained.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that

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

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

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

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

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

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

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

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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 Rehabilitation Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

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

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

At the direction of DPD, affidavits and other supporting documentation will be required of 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 Rehabilitation 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**

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withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

10.02. 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 Rehabilitation Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 *et seq.*, Municipal Code 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 Rehabilitation Project, at least the following percentages of the MBE/WBE Budget (as set forth in **Exhibit H-2** hereto) shall be expended for contract participation by MBEs and by WBEs:

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

(b) For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Rehabilitation Project) shall be deemed a "**contractor**" and this Agreement (and any contract let by the Developer in connection with the Rehabilitation Project) shall be deemed a "**contract**" or a "**construction contract**" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Rehabilitation Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Rehabilitation Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to 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.

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(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Rehabilitation Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Rehabilitation Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Rehabilitation Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining 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 Rehabilitation Project for at least five years after completion of the Rehabilitation Project, and the City's monitoring staff shall have access to all such records maintained by 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 Rehabilitation 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 Rehabilitation 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 Rehabilitation Project, the Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Rehabilitation Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Rehabilitation Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, and/or (3) seek any other remedies against the Developer available at law or in equity.

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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, the Bond Ordinance and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which the Developer, or any person directly or indirectly controlling, controlled by or under common control with the Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property. In the event of a conflict between any provisions of **Section 11, Environmental Matters**, of this Agreement and the provisions of any current or future agreement between the City and the Developer relating to the subject matter of this **Section 11** (the "**Other Agreements**"), the terms and conditions of such Other Agreements shall prevail and control solely with respect to the subject matter of this **Section 11**.

SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

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insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or

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will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of Planning Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified

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coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

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

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

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 Indemnities

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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 Rehabilitation Project improvement; or

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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- (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, the Grant Agreement or any related agreement;
- (b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement with any person or entity if such failure may have a material adverse effect on the Developer's business, property, assets, operations or condition, financial or otherwise;
- (c) the making or furnishing by the Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;
- (d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;
- (e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature or for the readjustment or arrangement of the Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;
- (f) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;
- (g) the entry of any judgment or order against the Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;
- (h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period;
- (i) the dissolution of the Developer;
- (j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns a material interest in the Developer, which is not dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns a material interest in the Developer, for any crime (other than a misdemeanor);

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(k) the sale or transfer of any of the ownership interests of the Developer without the prior written consent of the City;

(l) the assignment or other direct or indirect transfer of the Lease without the prior written approval of the City (which shall be in the City's sole discretion);

(m) during the period that the Developer is required to maintain the Letter of Credit, the Letter of Credit will expire within thirty (30) calendar days and the Developer has not delivered a substitute Letter of Credit, in form and substance satisfactory to the City in its sole and absolute discretion, within twenty (20) calendar days before the expiration date of the Letter of Credit;

(n) a Default (as defined in the Lease) by the Developer under the Lease that is not cured within the cure period, if any, granted under the Lease, or the Developer's execution of a Material Amendment without the prior written approval of the City under **Section 8.23**; or

(o) the Developer has not delivered evidence satisfactory to the City of LEED Certification within the time period specified in **Section 8.24**.

For purposes of **Section 15.01(i)** hereof, a person with a material interest in the Developer shall be one owning in excess of 7.5% of the Developer's issued and outstanding shares of stock.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement, the Grant Agreement and any other related agreements to which the City and the Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the United Space in the amount of City Funds paid, seek reimbursement of any City Funds paid and if the Event of Default concerns a breach of the Operations Covenant or the Jobs Covenant, then, in such cases, the City may seek such reimbursement through a demand under the Guarantee and/or draw down the entire balance of the Letter of Credit as set forth in this **Section 15.02** below. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein. Upon the occurrence of an Event of Default under **Section 8.06**, the Developer shall be obligated to repay to the City all previously disbursed City Funds. In addition to other instances set forth in this Agreement, the City may draw on the Letter of Credit and/or make a demand under the Guarantee if Developer defaults under the Jobs Covenant and/or Operating Covenants as set forth in **Section 8.06**.

Upon the occurrence of an Event of Default because of failure to comply with **Section 8.24, LEED Certification**, the City's sole remedy shall be the right to seek reimbursement of \$250,000 of City Funds through drawing down the Letter of Credit, unless the City Funds paid upon Certificate issuance were reduced by \$250,000 due to anticipated failure to achieve LEED Certification as described in **Section 4.03(b)**. If the City reduces the City Funds paid as described in the preceding sentence, the City shall have no other remedy for the Developer's failure to achieve LEED Certification.

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

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

Notwithstanding any other provision of this Agreement to the contrary:

(a) the only cure periods, if any, applicable to the Developer's failure to comply with the Jobs Covenant are those set forth in **Section 8.06**;

(b) there shall be no notice requirement or cure period with respect to Events of Default described in **Section 15.01 (m)** (with respect to the Letter of Credit) or **Section 15.01(o)** (with respect to LEED Certification); and

(c) there shall be no notice requirement or cure period with respect to an Event of Default arising from the Developer's failure to comply with the Operations Covenant.

SECTION 16. MORTGAGING OF THE PROJECT

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

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

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

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

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

SECTION 17. NOTICE

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

If to the City:

City of Chicago
 Department of Planning and Development
 121 North LaSalle Street, Room 1000
 Chicago, IL 60602
 Fax No. (312) 744-0759
 Attention: Commissioner

With Copies To:

City of Chicago
 Department of Law
 Finance and Economic Development Division
 121 North LaSalle Street, Room 600
 Chicago, IL 60602
 Fax No. (312) 744-8538

If to the Developer:

United Air Lines, Inc.
 UAL Corporation
 77 West Wacker Drive
 Chicago, IL 60601
 Fax No. (312) 997-8080

With Copies To:

DLA Piper US LLP
 203 North LaSalle Street, Suite 1900
 Chicago, Illinois 60601
 Fax No. (312) 256-7500
 Attention: David L. Reifman and Andrew Scott

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

SECTION 18. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 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

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

UAL CORPORATION

By: 

Its: Frederic F. Brace
Executive Vice President and
Chief Financial Officer

UNITED AIR LINES, INC.

By: 

Its: Frederic F. Brace
Executive Vice President and
Chief Financial Officer

CITY OF CHICAGO

By: _____

Arnold L. Randall,
Commissioner, Department of Planning and Development

Property of Cook County Clerk's Office

UNOFFICIAL COPY

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

UAL CORPORATION

By: _____

Its: _____

UNITED AIR LINES, INC.

By: _____

Its: _____

CITY OF CHICAGO

By: Arnold L. Randall

Arnold L. Randall, *CL*
Commissioner, Department of Planning and Development

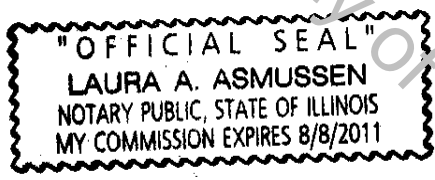
Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
 Dufage) SS
COUNTY OF COOK)

I, Laura Asmussen, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Frederic F. Brace, personally known to me to be the ~~Executive Vice President & Chief Financial Officer~~ of UAL Corporation, a Delaware corporation ("UAL"), 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 UAL, as his/her free and voluntary act and as the free and voluntary act of UAL, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 6th day of May 2008.



Laura Asmussen
Notary Public

My Commission Expires 08/08/2011

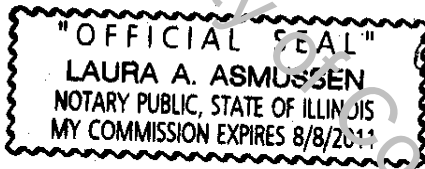
(SEAL)

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STATE OF ILLINOIS)
 Dufree) SS
COUNTY OF COOK)

I, Laura Asmussen, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Frederic F. Brace, personally known to me to be the ~~Executive Vice President & Chief Financial Officer~~ of United Air Lines, Inc., a Delaware corporation ("United"), 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 United, as his/her free and voluntary act and as the free and voluntary act of United, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 6th day of May 2008



Laura Asmussen
Notary Public

My Commission Expires 08/08/2011

(SEAL)

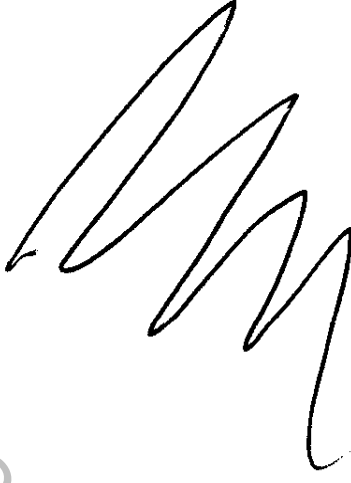
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EXHIBIT A

REDEVELOPMENT AREA

(See Attached)

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*Exhibit "C".**Legal Description Of North Loop Area.*

Redevelopment Project Area Legal Description.

A tract of land consisting of lots and blocks or parts thereof and streets and alleys of Blocks 16, 17, 35, 36, 37 and 58 in the Original Town of Chicago in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 and part of Blocks 8 and 9 in Fort Dearborn Addition to Chicago in the southwest fractional quarter of Section 10, Township North, Range 14 East of the Third Principal Meridian, in the City of Chicago, County of Cook, State of Illinois and bounded as follows:

beginning at the intersection of the south line of West Lake Street and the west line of North LaSalle Street; thence north along the west line of North LaSalle Street to the north line extended west of West Haddock Place; thence east along said line to the west line of North Clark Street; thence north along said west line to the northerly line of West Wacker Drive as said northerly line was established by ordinance passed by the City Council of the City of Chicago on December 15, 1919; thence east along said northerly line of West Wacker Drive to the east line of North State Street; thence south along said east line to the north line of West Haddock Place; thence east along said line to the east line of Lot 28 extended north of Block 8 in Fort Dearborn Addition to Chicago as aforesaid; thence south along the east line of Lot 28 as aforesaid to the north line of East Lake Street; thence east along said north line to the east line of Lot 10 extended north of Block 9 in Fort Dearborn Addition to Chicago as aforesaid; thence south along the east line of Lot 10 as aforesaid to the north line of East Benton Place; thence east along said north line to the east line of North Wabash Avenue; thence south along said line to the south line of East Randolph Street; thence west along said south line to the east line of North State Street; thence south along said east line to the south line extended east of Lot 1 of Assessor's Resubdivision of Lots 1 to 5 in Block 58 in Assessor's Division of the Original Town of Chicago as aforesaid; thence west along said extended line to the west line of said Lot 1; thence north along said line to the south line of West Washington Street; thence west along said south line to the west line of North Dearborn Street; thence north along said west line to the south line of West Randolph Street; thence west along said south line to the west line of North Clark Street; thence north along said west line to the south line of West Lake Street; thence west along said south line to the place of beginning.

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Legal Description Of Added Area.

The boundaries of the Added Project Area are legally described as follows:

Subarea 1.

A tract of land comprised of all or parts of Blocks 19, 20, 31, 32, 33, 40 and 41 in the Original Town of Chicago, together with parts of streets and alleys adjoining said blocks, in the south half of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, which tract is more particularly described as follows:

beginning at the intersection of the west line of North LaSalle Street, as widened, with the north line of Block 33; thence west along said north line (being also the south line of West Lake Street) to the west line of said block; thence south along said west line (being also the east line of North Wells Street) to the north line of West Couch Place; thence east along said north line to an intersection with the northward extension of the west line of Lot 7 in Block 33; thence south along said extension, and along said west line, to the south line of said block; thence east along said south line (being also the north line of West Randolph Street) and along the eastward extension of said south line, to an intersection with the northward extension of the west line of Block 39 in the Original Town of Chicago; thence south along said extension, and along said west line (being also the east line of North LaSalle Street) to an intersection with the eastward extension of the south line of West Court Place; thence west along said extension and along said south line to the west line of Block 40 aforesaid; thence west, crossing North Wells Street, to the northeast corner of Lot 8 in Block 41 aforesaid; thence west along the north line of said lot to an intersection with the southward extension of the west line of Lot 1 in said block; thence north along said extension and along said west line, to the north line of Block 41; thence west along said north line (being also the south line of West Randolph Street) to the northwest corner of said block; thence west, crossing North Franklin Street, to the northeast corner of Block 42 in the Original Town of Chicago; thence west along the north line of said Block 1 (being also the south line of West Randolph Street) to an intersection with the southward extension of the west line of the east 20 feet of Lot 7 in Block 31 aforesaid; thence north along said extension and along said west line, to the north line of West Couch Place; thence east along said north line to the east line of Block 31; thence north along said east line (being also the west line of North Franklin Street) and along the

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northward extension of said east line to an intersection with the westward extension of the south line of Block 20 aforesaid; thence east along said extension, and along said south line (being also the north line of West Lake Street) to the west line of North Post Place; thence north along said west line and along the northward extension thereof, to an intersection with the westward extension of the north line of West Haddock Place; thence east along said extension and along said north line to the east line of Block 20; thence east, crossing North Wells Street, to the intersection of the west line of Block 19 aforesaid with the north line of West Haddock Place; thence east along said north line to an intersection with the west line of North LaSalle Street as widened; thence south along said west line to the south line of Block 19; thence south, crossing West Lake Street, to the point of beginning, in the City of Chicago, Cook County, Illinois.

Subarea 2.

A tract of land comprised of part of Block 58 and parts of adjacent streets and alleys in the Original Town of Chicago in Section 9, together with all or parts of Blocks 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14 and 15 and parts of adjacent streets and alleys in Fort Dearborn Addition to Chicago in Section 10, and all or parts of Blocks 1 through 10, and all or parts of Blocks 1 through 10, inclusive, and parts of adjacent streets and alleys in Fractional Section 15 Addition to Chicago, and all or parts of Blocks 113, 114, 120, 122, 123, 124, 137, 138, 139, 140, 141 and 142 in School Section Addition to Chicago, all in Township 39 North, Range 14 East of the Third Principal Meridian, which tract of land is more particularly described as follows:

beginning at the northwest corner of Block 8 in Fort Dearborn Addition to Chicago in Section 10 aforesaid; thence east along the north line of said block (being also the south line of East Wacker Drive) to the northeast corner of Lot 6 in said block; thence south along the east line of said lot to the north line of East Haddock Place; thence west along said north line to an intersection with the northward extension of the east line of Lot 28 in Block 8; thence south along said extension, and along said east line, to the south line of said block; thence east along said south line (being also the north line of East Lake Street) to an intersection with the northward extension of the east line of Lot 10 in Block 9 of Fort Dearborn Addition to Chicago; thence south along said extension, and along said east line to the north line of East Benton Place; thence east along said north line, and along the eastward extension thereof, to an intersection with the northward extension of the west line of the south part of Block 10 in Fort Dearborn Addition to Chicago; thence south along said extension, and along said west line (being also the east line of North Wabash Avenue) and along the southward extension thereof, to an

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intersection with the eastward extension of the north line of Block 13 in said Fort Dearborn Addition; thence west along said extension to the northeast corner of said Block 13; thence south along the east line of said block (being also the west line of North Wabash Avenue) to the southeast corner of said block; thence west along the south line of said block (being also the north line of East Washington Street) to an intersection with the northward extension of the west line of Block 14 in Fort Dearborn Addition; thence south along said extension, and along said west line (being also the east line of North State Street) to an intersection with the eastward extension of the south line of Lot 1 in Assessor's Resubdivision of Sublots 1 to 5 of Assessor's Division of Lots 1, 2, 3, 4 and 5 of Block 58 in the Original Town of Chicago aforesaid; thence west along said extension, crossing North State Street and entering Section 9 aforesaid, and continuing along said south line of said Lot 1, to the southwest corner of said lot; thence north along the west line of said lot to the north line of Block 58; thence west along said north line (being also the south line of West Washington Street) to the northwest corner of Lot 7 in Assessor's Division of Lots 1, 2, 3, 4 and 5 of Block 58; thence south along the west line of said lot to the north line of West Calhoun Place; thence west along said north line, and along the westward extension thereof, to an intersection with the northwest extension of the east line of the south part of Block 57 in the Original Town of Chicago aforesaid; thence south along said extension and along said east line (being also the west line of North Dearborn Street) and along the southward extension of said east line to the southeast corner of said Block 57; thence southward, crossing West Madison Street and entering Section 16, to the northeast corner of Block 119 in School Section Addition aforesaid; thence south along the east line of said block (being also the west line of South Dearborn Street) to an intersection with the westward extension of the north line of Lot 20 in the subdivision of Block 142 in said School Section Addition; thence east along said extension, and along said north line, to the northeast corner of said lot; thence south along the east line of Lots 20 through 27, inclusive, in said subdivision, and along the southward extension thereof to an intersection with the north line of Block 141 in School Section Subdivision aforesaid; thence east along said north line (being also the south line of West Monroe Street) to the northwest corner of the east half of Lot 3 in said Block 141; thence south along the west line of the east half of said lot to the north line of West Marble (hydraulic) Place; thence west along said north line, and the westward extension thereof, to an intersection with the northward extension of the east line of Lot 20 in County Clerk's Division of Block 120 in School Section Addition; thence south along said extension, and along said east line (being also the west line of South Dearborn Street) and along the southward extension of said east line, to an intersection with the westward extension of the north line of Block 140 in School Section Addition; thence east along said extension and along said north line (being also the south line of West Adams Street) to an intersection

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with the west line of the east 25 feet of Lot 5 in the subdivision of Blocks 83, 92 and 140 in School Section Addition; thence south along said west line to an intersection with the westward extension of the south line of the alley in the subdivision of Lots 3 and 4 in said Block 140; thence east along said extension and along said south line to an angle point; thence southeastwardly along a southwesterly line of said alley to an angle point; thence south along a west line of said alley and along the southward extension thereof, to an intersection with the north line of Lot 13 in the aforementioned subdivision of Blocks 83, 92 and 140; thence east along said north line (being also the south line of West Quincy Street) to the northeast corner of said Lot 13; thence south along the east line of said lot to the south line of Block 140; thence west along said south line (being also the north line of West Jackson Boulevard) and along the westward extension thereof, to an intersection with the northward extension of the east line of Lots 1, 4, 8, 11, 14, 17, 20 and 23 in Wright's Subdivision of Block 122 in School Section Addition; thence south along said extension, and along said east line (being also the west line of South Federal Street) to the southeast corner of said Lot 23; thence west along the south line of said Lot 23 and the westward extension thereof, and also along the south line of Lot 22 in Wright's Subdivision (being also the north line of West Van Buren Street) to the southwest corner of said Lot 22; thence west, crossing South Clark Street, to the southeast corner of Lot 22 in the subdivision of Block 115 of School Section Addition aforesaid; thence west along the south line of said Lot 22 and Lot 23 (being also the north line of West Van Buren Street) to the southwest corner of said Lot 23; thence west, crossing South LaSalle Street, to the southeast corner of that part of said street vacated by ordinance passed February 29, 1980, and recorded August 12, 1980, as Document Number 25545766; thence south along the southward extension of the east line of said vacation to an intersection with the north line of Lot 3 in the subdivision of Block 114 of School Section Addition; thence east along said north line (being also the south line of West Van Buren Street) to the northeast corner of said lot; thence south along the east line of Lots 3, 4, 9, 10, 15, 16, 21 and 22 (being also the west line of South LaSalle Street) to the southeast corner of said Lot 22; thence south, crossing West Congress Parkway as said expressway is defined by the general ordinance passed October 31, 1940, to the intersection of the east line of Lot 6 in T. G. Wright's Subdivision of Block 113 in School Section Addition with the south line of said West Congress Parkway; thence east along said south line to an intersection with the east line of Lot 9 (said east line being also the west line of South Plymouth Court) in C. L. and I. Harmon's Subdivision of Block 137 in School Section Addition; thence north, crossing West Congress Parkway, to the intersection of the east line of Lot 24 in T. G. Wright's Subdivision of Block 138 in School Section Addition with the north line of said expressway; thence east along the north line of said West Congress Parkway, and along the north line of East Congress Parkway,

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entering into Section 15 aforesaid, to an intersection with the west line of Sublot 2 of Lot 10 in Canal Trustee's Subdivision of Block 10 of Fractional Section 15 Addition to Chicago; thence south along said west line to said north line of East Congress Parkway; thence east along said north line to the east line of South Michigan Avenue as widened; thence north along said widened line, entering Section 10 aforesaid, to an intersection with the north line of Block 6 in Fort Dearborn Addition aforesaid; thence east along said north line (being also the south line of East South Water Street) to an intersection with the southward extension of the east line of Lot 6 in Dyer's Subdivision of Lots 6, 7, 8, 9, 10 and 11 in Block 5 of Fort Dearborn Addition to Chicago; thence north along said extension, and along said east line, to the northeast corner of said lot; thence north, crossing a 20 foot wide alley, to a point on the south line of Lot 11 in Dyer's Subdivision which is 124.00 feet east of the southwest corner of said lot; thence north along a line 124.00 feet east from, and parallel with, the west line of aforementioned Block 5, to an intersection with the south line of Lot 5 in said block; thence north to a point on the north line of Lot 1 in said block which is 121.18 feet east from the northwest corner of said lot; thence continuing north along a northward extension of the last described line to an intersection with the northerly line of East Wacker Drive (River Street) as widened; thence westwardly, southwestwardly, north and southwestwardly along said northerly line, and along the southerly dock line of the Chicago River to an intersection with the northward extension of the west line of Block 8 of Fort Dearborn Addition aforesaid; thence south along said extension to the point of beginning; excepting from the above described tract Lots 19 through 25, inclusive, in Block 10 in Fort Dearborn Addition to Chicago; in the City of Chicago, Cook County, Illinois.

Exhibit "D".

Street Boundaries Of Area.

The Original North Loop Redevelopment Project Area is an irregularly shaped area generally bounded by Wacker Drive on the north, Wabash Avenue on the east, Washington Street on the south, and LaSalle Street on the west.

The Added Project Area consists of two (2) subareas which are contiguous to the Original North Loop Redevelopment Project Area. Subarea 1 is generally bounded by Franklin Street on the west, Haddock Place on the north, LaSalle Street on the east and Court Place on the south. Subarea 2 is generally bounded by Dearborn Street on the west, the Chicago River on the north, Michigan Avenue on the east, and Congress Parkway on the south.

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EXHIBIT B

PROPERTY

PINs:

17-09-421-006-0000	17-09-421-016-0000
17-09-421-007-0000	17-09-421-018-0000
17-09-421-008-0000	17-09-422-009-0000
17-09-421-012-0000	17-09-422-010-0000
17-09-421-013-0000	17-09-422-011-0000
17-09-421-014-0000	17-09-422-012-0000
17-09-421-015-0000	

Parcel 1: Lot 3 (Except the East 20.50 feet thereof) together with the North 1.00 foot of the original 18.00 foot alley lying South of and adjoining the South line of said Lot 3, in Block 17 in the original Town of Chicago in **Section 9**, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois;

And

Lots 1 to 9, both inclusive, in the subdivision of Lot 4 together with the North 1.50 feet of the original 18.00 foot alley lying South of and adjoining the South line of said subdivision of Lot 4, in Block 17 in the original Town of Chicago in **Section 9**, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois;

Parcel 2: That part of the West 1/2 of North Garvey Court (said North Garvey Court being the West 1/2 of Lot 2, and the East 20.50 feet of Lot 3, together with the North 1.00 foot of the original 18.00 foot alley lying South of and adjoining the South line of the aforesaid parts of Lots 2 and 3, the South line of said 1.00 foot strip being the North line of West Haddock Place as established by ordinance passed September 17, 1852) lying above an inclined plane having an elevation of +17.26 feet above Chicago City Datum measured along the North line of Block 17, and having an elevation of +21.23 feet above Chicago City Datum measured along the North line of West Haddock Place, all in Block 17, (as vacated by the City of Chicago in an ordinance passed March 21, 1990 and recorded April 11, 1990 as Document 90164868), in the original Town of Chicago, in **Section 9**, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3: Easement created by Document 90164870 and amended by Document 91096330 with respect to that part of the East 1/2 of North Garvey Court (said North Garvey Court being the West 1/2 of Lot 2, and the East 20.50 feet of Lot 3, together with the North 1.00 foot of the original 18.00 foot alley lying South of and adjoining the South line of the aforesaid parts of Lots 2 and 3, the South line of said 1.00 foot strip being the North line of West Haddock Place as established by ordinance passed September 17, 1852); lying above an inclined plane having an elevation of +17.26 feet above Chicago

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City Datum measured along the North line of said Block 17, and having an elevation of +21.23 feet above Chicago City Datum measured along the North line of West Haddock Place, and lying below an inclined plane having an elevation of +47.26 feet above Chicago City Datum measured along the North line of said Block 17, and having an elevation of +51.23 feet above Chicago City Datum measured along the North line of West Haddock Place, all in Block 17, in the original Town of Chicago, in **Section 9**, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

- Parcel 4: That part of West Haddock Place as established by ordinance passed September 17, 1852, together with the South 1.50 feet of the original 18.00 foot alley lying North of and adjoining the North line of Lot 1 in the Assessor's Division of Lot 5 in Block 17; also, the South 1.00 foot of said original 18.00 foot alley lying North of and adjoining the North line of Lot 6 in Block 17, all taken as one tract, lying West of the Southerly extension of the West line of the East 20.50 feet of Lot 3 in said Block 17, and lying East of the West line of Block 17, and its extensions, (as vacated by the City of Chicago in an ordinance passed March 21, 1990 and recorded April 11, 1990 as Document 90164868), in the original Town of Chicago, in **Section 9**, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.
- Parcel 5: Easement created by Document 90164870 and amended by Document 91096330 with respect to that part of West Haddock Place as established by ordinance passed September 17, 1852, together with the South 1.00 foot of the original 18.00 foot alley lying North of and adjoining the North line of the West 1/2 of Lot 7 and the North line of the East 20.50 feet of Lot 6, all taken as one tract lying East of the Southerly extension of the West line of the East 20.50 feet of Lot 3, in Block 17, in the original Town of Chicago, lying West of the Southerly extension of East line of the West 1/2 of Lot 2 in said Lot 17, lying above an inclined plane, having an elevation of +21.23 feet above the Chicago City Datum, measured along the North Line of West Haddock Place aforesaid, and having an elevation of +21.72 feet above Chicago City Datum, measured along the south line of the original 18 foot alley aforesaid, and lying below an inclined plane, having an elevation of +71.23 feet above Chicago City Datum, measured along the North line of West Haddock Place aforesaid, and having an elevation of +71.72 feet above Chicago City Datum, measured along the South line of the original 18.00 foot alley aforesaid, all in **Section 9**, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.
- Parcel 6: Easement with respect to that part of Garvey Court depicted in Exhibit "B" of the grant of easement recorded as Document 90164870, as amended by Document 91096330.

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EXHIBIT C

TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Costs of Rehabilitation	\$16,563,690
Financing Costs	N/A

TOTAL

Note: Notwithstanding the total dollar amount of TIF-Funded Improvements listed above, the financial assistance to be provided by the City under this Agreement is limited to \$5,475,000, subject to adjustment as provided in **Section 4.03**.

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EXHIBIT D

REDEVELOPMENT PLAN

[Not attached for the purposes of recording.]

Property of Cook County Clerk's Office

A large, dark, handwritten scribble consisting of several overlapping, irregular loops and lines, positioned diagonally across the center of the page. It appears to be a signature or a mark made over the watermark text.


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EXHIBIT E

CONSTRUCTION CONTRACT

[Not attached for the purposes of recording.]

Property of Cook County Clerk's Office




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EXHIBIT F

GUARANTEE

[Not attached for the purposes of recording.]

Property of Cook County Clerk's Office



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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 as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

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

Property of Cook County Clerk's Office

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EXHIBIT H-1

PROJECT BUDGET

<u>Uses</u>	<u>Amount</u>
Hard Costs	
Interior Build-out	\$15,989,913
Cabling Infrastructure	409,635
Security Equipment	197,087
Audio Visual	937,896
Signage	<u>248,751</u>
Total Hard Costs	\$17,783,282
Soft Costs	
Architecture, Engineering/Consultants	947,369
Specialty Design and Consultants	<u>221,440</u>
Total Soft Costs	1,168,809
Furniture, Fixtures & Equipment	4,029,424
Relocation	0
Contingency	<u>0</u>
Total Project Costs	\$22,981,515

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EXHIBIT H-2

MBE/WBE BUDGET (*)

<u>USES</u>	<u>AMOUNT</u>
Hard Costs	
Interior Build-out	\$11,221,300
Cabling Infrastructure	502,000
Security Equipment	73,540
Audio Visual	1,169,900
Signage	175,000
Total Hard Costs	<u>\$13,141,740</u>
 Soft Costs	
Architecture, Engineering, Consultants	583,500
Total Soft Costs	<u>583,500</u>
 Furniture, Fixtures & Equipment	3,400,000
Total M/WBE Budget	<u>\$17,125,240</u>

MBE/WBE EXPENDITURE GOAL (*)

MBE (24%)	\$4,110,058
WBE (4%)	\$ 685,010

(*): The MBW/WBE Budget and the MBE/WBE Expenditure Goal were based on the estimated project budget at the start of the Rehabilitation Project and shall not be revised to reflect changes to the Project Budget.

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EXHIBIT I

APPROVED PRIOR EXPENDITURES

<u>Uses</u>	<u>Amount</u>
Construction Hard Costs	\$17,144,884
Design Fees	1,223,456
Consulting Fees	335,000
Furniture	3,892,718
Equipment & Technology	636,705
Signage	248,751
Total Project Costs	23,481,514

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EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[Not attached for the purposes of recording.]

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EXHIBIT K

REQUISITION FORM

[Not attached for the purposes of recording.]

Property of Cook County Clerk's Office

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EXHIBIT L

FORM OF NOTICE OF PROPOSED APPROVED SUCCESSOR

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

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

Re: Notice of Proposed Approved Successor
United Redevelopment Agreement

Dear Commissioner:

This letter is written pursuant to the United Air Lines Redevelopment Agreement dated as of _____, 2008 (the "**Agreement**") and constitutes the written notice of UAL Corporation and United Air Lines, Inc. (collectively, the "**Developer**") of an impending [merger] [consolidation] [reorganization](the "**Transaction**") involving Developer and [INSERT NAME OF PROPOSED APPROVED SUCCESSOR]. Upon the completion of such Transaction, [INSERT NAME OF PROPOSED APPROVED SUCCESSOR] shall have succeeded to all or a majority of the business or assets, or both, of Developer. A summary of the principal terms of the proposed Transaction, as contained in information available in publicly available filings, is attached hereto as Schedule 1. If the City has further questions concerning the proposed Transaction, such questions should be directed to [INSERT NAME, ADDRESS, AND PHONE NUMBER OF PERSON TO BE CONTACTED].

Sincerely yours,

UAL CORPORATION

By: _____

Its: _____

UNITED AIR LINES, INC.

By: _____

Its: _____

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Schedule 1 to Exhibit L

[Attach Summary of Principal Terms]

Property of Cook County Clerk's Office

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Schedule 2 to Exhibit L

[FORM OF ASSUMPTION AGREEMENT]

THIS DOCUMENT PREPARED
BY AND AFTER RECORDING
SHOULD BE SENT TO:

[Counsel to Proposed Approved Successor]

Assumption Agreement

This Assumption Agreement (the "**Agreement**") is made as of _____, 20____, and is entered into by and among UAL Corporation, a Delaware corporation ("**UAL**"), United Air Lines, Inc., a Delaware corporation ("**United**" together with UAL, collectively, the "**Developer**"), [NAME OF PROPOSED APPROVED SUCCESSOR] (the "**Purchaser**") and the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development.

RECITALS

A. The Developer and the City have entered into a United Air Lines Redevelopment Agreement dated as of _____, 2008 and recorded with the Cook County Recorder of Deeds on _____, 2008 as Document No. _____ (the "**RDA**") pursuant to which the City agreed, subject to the terms and conditions in the RDA, to provide financing to assist the Developer in completing the redevelopment of the Project, which is located on the property legally described on Exhibit A attached hereto and made a part hereof (the "**Property**"). Capitalized terms not otherwise defined in this Agreement shall have the meanings given them in the RDA.

B. The Developer and the Purchaser have entered into that certain [TITLE OF AGREEMENT WITH PROPOSED APPROVED SUCCESSOR], dated as of _____, 20____ (the "**Purchase Agreement**") pursuant to which the Purchaser will consummate a [merger] [consolidation] [reorganization] (the "**Transaction**") involving the Developer and the Purchaser and pursuant to which the Purchaser shall succeed to all or a majority of the business or assets, or both, of Developer. A summary of the principal terms of the proposed Transaction is attached hereto as Exhibit B.

C. Pursuant to Section 8.01(j) of the RDA, the Developer may not be a party to the Transaction without the City's written consent.

D. Pursuant to the Purchase Agreement, the Developer intends to sell, assign and transfer to Purchaser its obligations and duties under the RDA; Purchaser has read and understands the RDA and desires to assume all of the Developer's obligations and duties under the

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RDA upon the date of Closing (as defined in the Purchase Agreement), and pursuant to **Section 18.15** of the RDA, the Developer and the Purchaser desire to receive the City's written consent for this assignment and assumption [**NOTE: if Purchase Agreement does not contain an assignment of the RDA by the Developer, then this provision must be added to this Assumption Agreement**].

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

1. **Recitals.** The foregoing recitals are hereby incorporated into this Agreement by reference.
2. **Consent.** In accordance with **Section 8.01(j)** of the RDA and pursuant to the powers granted to the City under the RDA, the City hereby grants its consent to the Transaction pursuant to the Purchase Agreement and subject to the covenants and agreements in this Agreement.
3. **No Effect on Recording Priority of RDA.** The parties agree that entering into and recording this Agreement shall have no effect on the recording priority of the RDA and that this Agreement shall relate back to the dates that the RDA was originally recorded in the land title records of Cook County, Illinois.
4. **No Change in Defined Terms.** All capitalized terms not otherwise defined herein, shall have the same meanings as set forth in the RDA.
5. **Amendment to RDA.** The RDA is hereby amended to provide that an "Event of Default" shall include the failure by the Purchaser or Developer to satisfy the covenants contained in this Agreement, and that no notice or cure period shall apply to the failure to satisfy the covenants described in Section 9 (Recording and Filing) or Section 19 (Release) of this Agreement, notwithstanding any contrary language in the RDA. All other provisions and terms of the RDA shall remain unchanged.
6. **Authority.** Each of the Developer and Purchaser represents and warrants that: (a) such party has the right, power and authority to enter into, execute, deliver and perform this Agreement and the person executing this Agreement on behalf of such party is duly authorized to execute this Agreement on behalf of such party; and (b) the execution, delivery and performance by such party of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Articles of Organization or Operating Agreement, Limited Partnership Agreement or other organizational or governing documents, any applicable provision of law, or constitute a breach of, default under or require the consent under any agreement, instrument or document to which such party is now a party or by which such party is now or may become bound.
7. **Representations and Warranties of the Developer.** The Developer represents and warrants that it is not in default with respect to any provision of the RDA. The Developer acknowledges and agrees that, notwithstanding any other terms or provisions of this Agreement to the contrary, the Developer shall remain liable for all of its obligations and liabilities under the RDA.
8. **Representations, Warranties and Covenants of the Purchaser.** The Purchaser represents, warrants and covenants as follows:

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(a) it has received and reviewed a true, correct and complete copy of the RDA, the Grant Agreement, the Letter of Credit, the Guarantee, the Redevelopment Plan and the related agreements (collectively, the "Agreements");

(b) it acknowledges and agrees that upon the date of Closing and throughout the Term of the RDA (or such other period specified in the Agreements) it shall be bound by, and Purchaser hereby covenants to assume and comply with, the terms, conditions, covenants, duties, obligations, representations and warranties set forth in the Agreements which, by their terms, are binding upon Developer including, without limitation, by delivering a substitute Letter of Credit and a substitute Guarantee in form and substance satisfactory to the City in its sole and absolute discretion; provided, however, that the Purchaser acknowledges that it is not entitled to receive any City Funds pursuant to the Agreements or this Assumption Agreement;

(c) neither the Purchaser, nor any affiliate person or entity controlling, controlled by or under common control with the Purchaser, nor any person identified in the organizational chart depicting the Purchaser's ownership being delivered to the City simultaneously herewith¹ (the "**Successor Parties**"), is (i) in violation of any City laws, regulations and requirements including, without limitation, any "anti-scofflaw" laws); (ii) in default under any other written agreements between any such person or entity and the City, or (iii) delinquent in the payment of any amounts due to the City;

(d) the Purchaser is qualified to do business in the State of Illinois and has obtained all qualifications, licenses and approvals required by the City of Chicago and State of Illinois in order to do business;

(e) the Purchaser (i) leases and occupies at least 100,000 square feet of office space in the Building, (ii) uses such space in the Building for the corporate headquarters and the principal office of the national and international business of the Purchaser and its Affiliates and the site which the principal executive officers of the Purchaser and its Affiliates have designated as their principal offices, and (iii) has at least the required number of FTE jobs at the Building, in each case in accordance with the terms of the Agreements; and

(f) the Purchaser has delivered to the City each of the following:

(i) Economic Disclosure Statement & Affidavit forms (or recertifications thereof) ("**Disclosure Forms**") executed by the Successor Parties and, if applicable, such additional Disclosure Forms as may be required by applicable ordinances, rules and regulations in effect on the closing date of the Transaction;

(ii) certificates executed by authorized representatives of the Successor Parties attaching and certifying, as applicable, as to (a) organizational documents and bylaws or operating agreement certified, as applicable, by the Secretary of State of the State of organization, (b) evidence of the authority of each Successor Party to assume the obligations under the Agreements to which it will become a party, and (c) incumbency and signatures of the individuals authorized to sign on behalf of each Successor Party;

(iii) an opinion of the counsel to the Purchaser opining as to the authority of each Successor Party to enter into or assume the Agreements, the due execution and enforceability thereof, and such other applicable matters as may be required by the City; and

¹ If the Purchaser is a publicly-traded entity, such chart need only identify legal entities that own 7.5% or more of such entity's ownership interests, and the certification in clause (c) shall only apply to such 7.5% owners.

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(iv) such other documents, agreements, instruments, certificates and affidavits as the City may require pursuant to all federal, state or local statutes, laws, regulations, ordinances, executive orders, codes, rules, orders, licenses, judgments, decrees or requirements.

9. Recording and Filing. The Developer shall cause this Agreement and all amendments and supplements hereto to be recorded and filed against the Property (legally described on Exhibit A hereto) on or before the date of Closing in the conveyance and real property records of the county in which the Property 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.

10. Limitation of Liability. No member, official or employee of the City shall be personally liable to any party to this Agreement or any successor in interest in the event of any default or breach by the City or any successor in interest under the terms of this Agreement or the RDA.

11. 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.

12. 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.

13. Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the RDA, the provisions of this Agreement shall control.

14. 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.

15. 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.

16. Notice. Unless otherwise specified, any notice, demand or request required under the RDA or this Agreement shall be given in writing in the manner specified in the RDA (a) to the Purchaser, at _____, _____, _____, Fax No. _____, Attention: _____, and (b) to any other party, at the addresses set forth in the RDA.

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

18. No Business Relationship with City Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business

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Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to the Agreement, or in connection with the transactions contemplated thereby, shall be grounds for termination of the Agreement and the transactions contemplated thereby. Each of the Developer and Purchaser hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated thereby.

19. Release. If the Purchase Agreement is amended without the prior written consent of the City or if the Transaction pursuant to the Purchase Agreement does not occur and the Purchase Agreement is terminated, the Developer shall within five business days after such amendment or termination prepare and deliver to each of the parties to this Agreement a document to be executed by each such party which shall nullify this Agreement and restore the RDA to the form existing prior to the date hereof as if this Agreement had never been executed. Within five business days after receiving the City's signature to such document, such document shall be recorded by the Developer at the Developer's expense and the Developer shall provide the City a copy therefore showing the date and recording number of record.

[PROPOSED APPROVED SUCCESSOR]

By: _____
Name: _____
Title: _____

UAL CORPORATION

By: _____
Its: _____

UNITED AIR LINES, INC.

By: _____
Its: _____

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

By: _____
Name: _____
Title: Commissioner

[Add Notary blocks]

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Exhibit A to Assumption Agreement

Legal Description of the Property

Attached.

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EXHIBIT M

FORM OF PAYMENT BOND

Not applicable

Property of Cook County Clerk's Office

UNOFFICIAL COPY**CHICAGO TITLE INSURANCE COMPANY**

ORDER NUMBER: 1401 008352431 D1
STREET ADDRESS: 77 W. WACKER
CITY: CHICAGO **COUNTY:** COOK
TAX NUMBER:

LEGAL DESCRIPTION:

PARCEL 1

LOT 3 (EXCEPT THE EAST 20.50 FEET THEREOF) TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18.00 FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID LOT 3, IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

AND

LOTS 1 TO 9, BOTH INCLUSIVE, IN THE SUBDIVISION OF LOT 4 TOGETHER WITH THE NORTH 1.50 FEET OF THE ORIGINAL 18.00 FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID SUBDIVISION OF LOT 4, IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2

THAT PART OF THE WEST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE WEST 1/2 OF LOT 2, AND THE EAST 20.50 FEET OF LOT 3, TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18.00 FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3, THE SOUTH LINE OF SAID 1.00 FOOT STRIP BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852) LYING ABOVE AN INCLINED PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF BLOCK 17, AND HAVING AN ELEVATION OF +21.23 FEET ABOVE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE, ALL IN BLOCK 17, (AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND RECORDED APRIL 11, 1990 AS DOCUMENT 90164868), IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3

EASEMENT CREATED BY DOCUMENT 90164870 AND AMENDED BY DOCUMENT 91096330 WITH RESPECT TO THAT PART OF THE EAST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE WEST 1/2 OF LOT 2, AND THE EAST 20.50 FEET OF LOT 3, TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18.00 FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3, THE SOUTH LINE OF SAID 1.00 FOOT STRIP BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852); LYING ABOVE AN INCLINED

(CONTINUED)

UNOFFICIAL COPY**CHICAGO TITLE INSURANCE COMPANY**

ORDER NUMBER: 1401 008352431 D1
STREET ADDRESS: 77 W. WACKER
CITY: CHICAGO **COUNTY:** COOK
TAX NUMBER:

LEGAL DESCRIPTION:

PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF SAID BLOCK 17, AND HAVING AN ELEVATION OF +21.23 FEET ABOVE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE, AND LYING BELOW AN INCLINED PLANE HAVING AN ELEVATION OF +47.26 FEET ABOVE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF SAID BLOCK 17, AND HAVING AN ELEVATION OF +51.23 FEET ABOVE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE, ALL IN BLOCK 17, IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4

THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852, TOGETHER WITH THE SOUTH 1.50 FEET OF THE ORIGINAL 18.00 FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 1 IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17; ALSO, THE SOUTH 1.00 FOOT OF SAID ORIGINAL 18.00 FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 6 IN BLOCK 17, ALL TAKEN AS ONE TRACT, LYING WEST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3 IN SAID BLOCK 17, AND LYING EAST OF THE WEST LINE OF BLOCK 17, AND ITS EXTENSIONS, (AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND RECORDED APRIL 11, 1990 AS DOCUMENT 90164363), IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5

EASEMENT CREATED BY DOCUMENT 90164870 AND AMENDED BY DOCUMENT 91056330 WITH RESPECT TO THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852, TOGETHER WITH THE SOUTH 1.00 FOOT OF THE ORIGINAL 18.00 FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF THE WEST 1/2 OF LOT 7 AND THE NORTH LINE OF THE EAST 20.50 FEET OF LOT 6, ALL TAKEN AS ONE TRACT LYING EAST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3, IN BLOCK 17, IN THE ORIGINAL TOWN OF CHICAGO, LYING WEST OF THE SOUTHERLY EXTENSION OF EAST LINE OF THE WEST 1/2 OF LOT 2 IN SAID LOT 17, LYING ABOVE AN INCLINED PLANE, HAVING AN ELEVATION OF +21.23 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +21.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18 FOOT ALLEY AFORESAID, AND LYING BELOW AN INCLINED PLANE, HAVING AN ELEVATION OF +71.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +72.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18.00 FOOT ALLEY AFORESAID, ALL IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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CHICAGO TITLE INSURANCE COMPANY

ORDER NUMBER: 1401 008352431 D1
 STREET ADDRESS: 77 W. WACKER
 CITY: CHICAGO COUNTY: COOK
 TAX NUMBER:

LEGAL DESCRIPTION:

PARCEL 6

EASEMENT WITH RESPECT TO THAT PART OF GARVEY COURT DEPICTED IN EXHIBIT "B" OF THE GRANT OF EASEMENT RECORDED AS DOCUMENT 90164870, AS AMENDED BY DOCUMENT 91096330

THE ESTATE OR INTEREST IN THE LAND DESCRIBED ABOVE AND COVERED HEREIN IS: THE LEASEHOLD ESTATE (SAID LEASEHOLD ESTATE BEING DEFINED IN PARAGRAPH 1.c. OF THE ALTA LEASEHOLD ENDORSEMENT(S) ATTACHED HERETO), CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE LEASE, EXECUTED BY: 77 WEST WACKER DRIVE, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY, AS LESSOR, AND UNITED AIR LINES, INC., A DELAWARE CORPORATION, AS LESSEE, DATED AS OF OCTOBER 6, 2006, A MEMORANDUM OF LEASE WAS RECORDED OCTOBER 30, 2006 AS DOCUMENT 0630318011, WHICH LEASE DEMISES THE FOLLOWING DESCRIBED LAND FOR A TERM OF YEARS BEGINNING ON THE EARLIER TO OCCUR OF MARCH 1, 2007 AND THE DATE TENANT SUBSTANTIALLY COMPLETES THE TENANT WORK AND OCCUPIES 100% OF THE RENTABLE AREA OF THE PREMISES AND ENDING 15 YEARS FROM COMMENCEMENT DATE.

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