

99108854

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Cook County Recorder 65.00



CITY-LENDER AGREEMENT

THIS CITY-LENDER AGREEMENT is executed as of this <sup>8<sup>th</sup></sup> day of January, 1999, between THE CITY OF CHICAGO, an Illinois municipal corporation ("City"), and THE FIRST NATIONAL BANK OF CHICAGO ("First Chicago"), a national banking association, as administrative agent for itself and for HARRIS TRUST AND SAVINGS BANK ("Harris"), an Illinois banking association, and THE NORTHERN TRUST

COMPANY ("Northern"), an Illinois banking corporation. First Chicago, Harris and Northern may each be referred to as a "Bank" and collectively as the "Bank Group."

RECITALS

A. On or about April 17, 1998, the City entered into an Amended and Restated Block 35, Central Loop Project Redevelopment Agreement (the "Redevelopment Agreement") with Chicago Theatre Group, an Illinois not-for-profit corporation d/b/a The Goodman Theater (the "Goodman"). Pursuant to the terms of the Redevelopment Agreement, the City, among other things, has agreed to lease certain real property located on the west side of Dearborn Street in Chicago to the Goodman under the terms of two separate ground leases, upon satisfaction by the Goodman of various conditions precedent set forth in the Redevelopment Agreement.

B. The Redevelopment Agreement contemplates the execution of a restaurant/retail lease (the "Restaurant/Retail Lease"). Pursuant to the terms of that lease, the Goodman would develop the leased parcel with a building no higher than five (5) stories and a basement for use as a restaurant/retail facility with limited office use (the "Restaurant/Retail Project"). Execution and delivery of such lease by the City, however, is preconditioned upon the satisfaction of various conditions precedent, which remain unfulfilled as of this date. If and when such a lease is executed, it will be deemed the "Restaurant/Retail Lease" for all purposes hereunder.

This Instrument Was Prepared By  
And After Recording Return To:

John N. Oest  
Lord, Bissell & Brook  
115 South LaSalle Street  
Chicago, Illinois 60603

BOX 333-CTI

7796665D2 70F7

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Ⓟ

C. One ground lease will be for real property located on the northwest corner of Dearborn and Randolph streets (the "Restaurant/Retail Lease"). Pursuant to the terms of that lease, the Goodman will agree to develop the leased parcel with a building no higher than five (5) stories and a basement for use as a restaurant/retail facility with limited office use (the "Restaurant/Retail Project").

D. The second lease dated as of October 15, 1998 (the "Theater Lease") is for real property located on the southwest corner of Dearborn and Lake Streets in Chicago (the "Property") which property is legally described in Exhibit A attached hereto and made a part hereof. That leased parcel is improved with, among other things, two existing theaters known as the Harris and Selwyn Theaters. Pursuant to the terms of the Theater Lease, the Goodman has agreed to rehabilitate and renovate the facades of the Harris and Selwyn Theaters, to remodel their interiors and to undertake additional construction, all resulting in an approximately 400 seat studio theater, rehearsal and costume storage rooms and offices, and an 800 seat main theater and box office. The renovation, remodeling and construction described in this paragraph is cumulatively referred to as the "Theater Project."

E. In order to facilitate construction of the Theater Project, the City has agreed, pursuant to the terms of the Redevelopment Agreement, to make financial contributions to the Goodman for the Theater Project from Incremental Taxes (as such term is defined in the Redevelopment Agreement) collected as a result of the TIF Adoption Ordinance (as defined in the Redevelopment Agreement) and proceeds from the sale of City of Chicago Tax Increment Allocation Bonds (Central Loop Redevelopment Project). Such contributions are: (1) not to exceed the aggregate amount of Eighteen Million Five Hundred Thousand Dollars (\$18,500,000) (the "City's Financial Contribution"), and (2) to be limited to expenditures which are eligible for reimbursement pursuant to the various laws, ordinances and limitations governing the use of tax increment financing.

F. The Redevelopment Agreement and the Covenant of Performance ("Covenant") provides that under certain circumstances, the Goodman must repay the City's Contribution to the City in full (the "Recapture Obligation").

G. The Illinois Development Finance Authority has agreed to issue its Adjustable Rate Demand Revenue Bonds, Series 1999 (Goodman Theatre Project) (the "Bonds") in the amount of Twenty-Four Million One Hundred Thousand Dollars (\$24,100,000) and to loan the proceeds thereof to the Goodman for payment of the costs of the Theater Project, including costs which are not eligible to be funded by the City.

H. Each of the Banks has severally but not jointly agreed to deliver a letter of credit on behalf of the Goodman, payable directly to the indenture trustee of the Bonds, which letters of credit total \$24,496,164 in the aggregate and which provide credit enhancement for payments of principal and interest and for liquidity support for the Bonds.

I. The Illinois Development Finance Authority has assigned to the Indenture Trustee all of its rights under the Loan Agreement pursuant to which the proceeds of the Bonds are loaned to the Goodman. The Goodman has further entered into a Reimbursement Agreement with the Bank Group pursuant to which the Goodman has agreed, among other things, to immediately reimburse the Bank Group for any and all draws under any of the letters of credit issued by any Bank. The Goodman has executed and delivered to the Bank Group a Leasehold Mortgage (the "Mortgage") of its rights under the Theater Lease pursuant to which the Goodman has secured all of its obligations to the Bank Group arising out of the issuance of the letters of credit or the issuance of the Bonds in general.

J. The City and the Bank Group wish to clarify their respective rights and obligations during the funding of the Theater Project and their respective rights in and to the assets of the Goodman. Accordingly, the City and the Bank Group have entered into this City-Lender Agreement in order to memorialize the agreements they have reached in that regard.

NOW THEREFORE, in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions: In addition to the terms defined in the foregoing recitals, the following terms, when used in this Agreement, shall have the meanings set forth below:

(a) Bankruptcy Code means Chapter 11 of Title 11 of the United States Code (11 U.S.C. §101 et seq. as amended from time to time.

(b) City Documents means the Redevelopment Agreement, the Covenant, the Theater Lease, and such other agreements as may exist or arise between the City and the Goodman relating to the Theater Project, as all such agreements may be amended from time to time.

(c) Junior Debt means the Recapture Obligation and the Covenant, and any obligation under the Restaurant/Retail Lease or Theater Lease which relates to any covenants relating to casualty or to any obligations to complete the Restaurant/Retail Project or Theater Project.

(d) Loan Documents means the Reimbursement Agreement, the Mortgage, an Assignment of Rents and Leases, and Security Agreements creating security interests in the Goodman's construction and architect contracts, together with any and all other agreements by and between the Bank Group and the Goodman relating to the Theater Project or the issuance of the Bonds.

(e) Senior Debt means all obligations, liabilities and indebtedness of the Goodman to the Bank Group including without limitation all of the Goodman's obligations under the Loan Agreement, the Reimbursement Agreement and the other Loan Documents, and any other obligations of the Goodman to the Bank Group, including any post-petition interest, whether or

not allowed in any proceeding under the Bankruptcy Code, including any and all extensions, modifications or renewals thereof.

(f) Subordination Period means any period of time during which there is a Default or Event of Default under the Loan Documents (as such terms are defined in the Loan Documents).

2. Recognition of Bank Group as Mortgagee. The City acknowledges and agrees that: (a) the Bank Group meets all the requirements of an acceptable Leasehold Mortgagee for purposes of the Redevelopment Agreement and Theater Lease, including but not limited to Section 12.02 of the Theater Lease, and (b) the Bank Group is entitled to all the rights of a Leasehold Mortgagee under the terms of the Theater Lease. The Bank Group acknowledges that: (x) the Leasehold Mortgage is subject and subordinate to the Redevelopment Agreement; (y) if the Bank Group exercises its rights under the Leasehold Mortgage, its possession of the Property shall be pursuant to the terms of Section 5.3(d) of the Redevelopment Agreement; and (z) the restrictions of Section 12.03(b) of the Theater Lease shall apply to the Bank Group.

3. Events of Default by Goodman - Certain Elections of Remedies

If the Bank Group declares an event of default under the Leasehold Mortgage as a result of there being an event of default by Goodman under the Theater Ground Lease, which Goodman fails to cure during the applicable cure period, and the Bank Group elects to cure the default and to preserve the leasehold interest created by the Theater Ground Lease, Goodman shall be deemed not to be in default regarding the Covenant of Performance giving rise to the Junior Debt so long as the Bank Group agrees to perform or cause to be performed the covenants of Goodman under the Theater Ground Lease and related undertakings under the Redevelopment Agreement. In the alternative, if the Bank Group declares an event of default under the Leasehold Mortgage as a result of there being an event of default by Goodman under the Theater Ground Lease, which Goodman fails to cure during the applicable cure period, and the Bank Group elects not to cure the default and therefore determines not to seek to preserve the leasehold interest created by the Theater Ground Lease, the Bank Group shall have the right to pursue any and all other remedies against Goodman and have recourse against all assets of Goodman except for the leasehold interest created under the Theater Ground Lease. The City agrees that, even if there is a default by Goodman under the Covenant of Performance giving rise to the Junior Debt, it will not seek to collect any of the Junior Debt until the Senior Debt has been paid in full as a result of the Bank Group's pursuit of its said remedies. Notwithstanding the above, upon a default by Goodman under the Redevelopment Agreement or Theater Ground Lease, which remains uncured during the applicable cure period, the City shall in no manner be limited in its rights to pursue any remedies at law and in equity against Goodman, including recourse against any of Goodman's assets, so long as and provided that Goodman continues to service when due the Senior Debt; except and provided, however, that if the City obtains a monetary judgment against Goodman which, in the Bank Group's reasonable judgment as concurred with by the City, would materially impair the Goodman's ability to service when due the Senior Debt, such a circumstance may be deemed an event of default under the Leasehold Mortgage and, thereafter, the Bank Group may elect to



pursue its remedies while not seeking to preserve the leasehold interest created under the Theater Ground Lease as hereinafter provided and thereby limit the City's pursuit of collection of the Junior Debt until the Senior Debt has been paid in full. The City agrees to provide notice of default to the Bank Group required to be given to Goodman and/or the Bank Group pursuant to the Redevelopment Agreement and the Theater Ground Lease. The Bank Group agrees to provide the City notice of any default given to Goodman under the Leasehold Mortgage. The City agrees that none of the provisions contained herein are or shall be deemed inconsistent with the terms of the City Documents and that the Bank Group may rely on this assurance in executing this City-Lender Agreement.

4. Default Limitations. City agrees, for the benefit of the Bank Group, unless and until all the Senior Debt has been retired in full, it will not without the Bank Group's approval exercisable in its complete discretion: (a) declare a default under the Theater Lease, or (b) refrain from making the City's Financial Contribution for the Theater Project as a result of any default arising out, or alleged to have arisen out, or related to the Restaurant/Retail Project or the Restaurant/Retail Lease.

5. Other Limitations Except as provided below, City covenants and agrees for the benefit of Bank Group that until the Senior Debt has been paid in full:

- (a) City is hereby prohibited from seeking monetary relief or a judgment for money damages against the Goodman for any of the Junior Debt during any Subordination Period except as permitted in Section 3. This shall not, however, prohibit the City from declaring a default under either or both of the Theater Lease or the Restaurant/Retail Lease, pursuant to the terms thereof, and obtaining possession of such premises under the terms of the leases and applicable Illinois law or, subject to the restrictions herein, seeking remedies at law or in equity.
- (b) City shall not change, alter, or amend, the terms, covenants or conditions of the City Documents in any manner without the express consent in writing of Bank Group except nonmaterial changes which are not more burdensome to the Goodman. Anything herein contained to the contrary notwithstanding, Bank Group shall not be bound by any amendment of the City Documents not approved in writing by Bank Group (except to the limited extent permitted in the prior sentence).
- (c) In the event there is a foreclosure of the Mortgage, all of the subrents, issues and subprofits of the Property shall be held and applied by any receiver solely for the benefit of Bank Group unless and until the Senior Debt has been paid in full. City shall not be entitled to any such sums so long as there are any sums outstanding under the Senior Debt.

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- (d) Upon any distribution of the assets or readjustment of the indebtedness of the Goodman, whether by reason of reorganization, liquidation, dissolution, bankruptcy, receivership, assignment for the benefit of creditors, or any other action or proceeding involving the readjustment of all or any portion of the Junior Debt, or the application of assets of the Goodman to the payment or liquidation thereof, either in whole or in part, (collectively, a "Reorganization Proceeding") Bank Group shall be entitled to receive payment in full of all or any portion of the Senior Debt prior to the payment of all or any portion of the Junior Debt. In order to enable Bank Group to assert and enforce Bank Group's rights hereunder in any such action or proceeding, or upon the happening of any such event, Bank Group is hereby irrevocably authorized and empowered, in Bank Group's sole discretion, to make and present, for and on behalf of City such proofs of claims against the Goodman on account of all or any part of the Junior Debt. Further, in any such Reorganization Proceeding, City hereby irrevocably appoints Bank Group its attorney-in-fact and authorizes Bank Group, on City's behalf, to cast any and all votes on any proposed plans of reorganization, or proposed orders to lift the stay or use the Goodman's cash collateral. Such assignment is coupled with an interest.
- (e) Bank Group may at any time in its discretion renew or extend the time of payment or otherwise modify the terms of all or any portion of the Senior Debt and/or waive any rights or release any collateral relative thereto at any time, and in reference thereto to make and enter into such agreements as Bank Group may deem proper or desirable, without notice to or further assent of City, all without impairing or affecting in any manner this Agreement or Bank Group's rights hereunder.
- (f) The City will make the City Financial Contribution according to the terms and limitations set forth in the Redevelopment Agreement. Bank Group need not obtain possession of the premises or perform the covenants of the Goodman under the Theater Lease.

6. Continuing Agreement; Assigns; Enforcement. This is a continuing agreement and shall remain in full force and effect, and inure to the benefit of and be binding upon City and Bank Group and the respective heirs, legal representatives, successors or assigns of Bank Group and City, until the Senior Debt has been paid in full, or sooner upon receipt by City of written notice from Bank Group, or from any legal representative, successor or assign of Bank Group, to the effect that this Agreement has been terminated or revoked. This Agreement is solely between Bank Group and City and creates no rights, estoppel or waiver in favor of the Goodman. City acknowledges that Bank Group's remedies and damages will be difficult to ascertain or determine in the event that City breaches the covenants contained herein and agrees that Bank Group may obtain injunctive relief to enforce these covenants.

7. No Representations; Goodman/Bank Group Relations. Each party expressly consents to reliance by the other upon the representation and other agreements as herein provided. City acknowledges that Bank Group has made no warranties or representations with respect to the due execution, legality, validity, completeness or enforceability of the Loan Documents, that Bank Group shall be entitled to manage and supervise its financial arrangements with the Goodman in accordance with its usual practices, modified from time to time as it deems appropriate, without affecting the validity or enforceability of this agreement and without regard to the existence of any rights that City may have now or hereafter in any of the assets of the Goodman. Bank Group shall have no liability to City for, and City waives any claim against Bank Group, arising out of: (a) any and all actions which Bank Group in good faith takes or omits to take with respect to and in accordance with the Loan Documents or to the collection of the Senior Debt, (b) Lender's election, in any proceeding instituted under the Bankruptcy Code, of the application of §1111(b) of the Bankruptcy Code and/or (c) any borrowing or grant of a security interest under §364 of the Bankruptcy Code or any use of cash collateral under §363 of the Bankruptcy Code by the Goodman, as debtor in possession, or any bankruptcy trustee. City waives any right to assert the doctrine of marshaling with respect to any assets of the Goodman.

8. Construction Procedures:

(a) During the course of the construction of the Theater Project, City and Bank Group agree that they will cooperate on all requests from the Goodman for the following items: (i) changes in plans; (ii) change orders to any construction contract; and (iii) amendments to the project budget, including any proposed reallocation of line items.

(b) City and Bank Group each agree that neither will declare the Theater Project to be "out of balance," (i.e., make a declaration that insufficient funds remain on hand to complete the project), unless the other has concurred in such a declaration.

(c) City agrees that Exhibit B attached hereto and made a part hereof sets forth those items which are "TIF-eligible" and for which it will advance portions of the City's Contribution upon receipt of appropriate construction documentation as set forth in the Redevelopment Agreement. City acknowledges that the Bank Group is relying on the characterizations of expenditures (i.e., as TIF-eligible or non TIF-eligible) set forth in Exhibit B and therefore City agrees that such characterizations cannot be amended without the consent of the Bank Group exercisable in its complete discretion. City agrees that it will fund all TIF-eligible costs first, up to the amount of the City Financial Contribution, and that thereafter proceeds of the Bonds will be used to fund such expenses. Under no circumstances will any portion of the City Financial Contribution be used for non TIF-eligible costs; such costs shall be funded solely from Bond proceeds.

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9. Insurance: Casualty.

(a) City and Bank Group each acknowledge that the other will be additional named insureds under all liability policies required to be carried by the Goodman under either the Loan Documents or the City Documents, including public liability insurance, automobile liability, and contractor's pollution coverage.

(b) City acknowledges that Bank Group will be named as a mortgagee loss payee under both the builder's risk insurance and all-risk insurance required of the Goodman under the terms of the Loan Documents.

(c) The parties understand that the Goodman, the Bank Group and the City must mutually agree on any decision not to rebuild the Theater Project with insurance proceeds. If the Theater Project improvements are destroyed and the City, the Goodman and the Bank Group mutually conclude it shall not be rebuilt, the insurance proceeds shall first be paid to the Bank Group for application to the Senior Debt, then to the City for application to the Junior Debt, then the balance to the Goodman. To induce the City to agree to the provisions of this subsection, Goodman has agreed to obtain insurance, prior to the issuance of the letters of credit by the Bank Group, on the Theater Project in compliance with the requirements of the letter agreement between the City and the Goodman dated October 28, 1998, a copy of which is attached to this Agreement.

(d) The Bank Group and the City will adjust losses with any casualty insurer jointly.

(e) In the event of any restoration of the Theater Project, any and all insurance proceeds shall be deposited with the Bank Group and the City, jointly, and shall be disbursed in conjunction with the disbursement procedures set forth in an escrow agreement mutually acceptable to the Bank Group and the City.

(f) The Bank Group shall be an additional dual obligee under any and all performance and payment bonds issued in connection with the Theater Project.

(g) In the event of a casualty on the Theater Parcel, and an election not to rebuild, City agrees that it will pursue all remedies against casualty insurers prior to seeking or obtaining any monetary relief from the Goodman arising out of any such casualty. If the parties elect to rebuild, City will not assert a claim against Goodman arising out of any such casualty.

(h) In the event the Goodman fails to complete the Theater Project, the City agrees it will pursue all remedies against sureties prior to seeking or obtaining any monetary relief against the Goodman arising from such failure to complete.

10. Applicable Law. This Agreement shall be governed by the internal laws of the State of Illinois.



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11. Waivers. No waiver shall be deemed to be made by either party hereunder of any of their respective rights unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of either party to the other at any other time.

12. Modifications. This Agreement may not be modified, amended, waived, extended, changed, discharged, or terminated orally or by any act or failure to act on the part of City or Bank Group, but only by an agreement in writing signed by the party against whom the enforcement of any such modification, amendment, waiver, extension, change, discharge or termination is sought.

13. Information Concerning Financial Condition of the Goodman. Each party hereby assumes responsibility for keeping itself informed of the financial condition of the Goodman and of all other circumstances bearing upon the risk of nonpayment of the Senior Debt or of nonperformance under any City Documents. Each party hereby agrees that the other shall have no duty to advise it of information known to such person regarding such condition or any such circumstances.

14. Counterparts. This Agreement may be executed in several counterparts, each of which counterpart shall be deemed an original instrument and all of which together shall constitute a single agreement.

15. Severability. In the event any term or provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but rather shall be enforceable to the fullest extent permitted by law.

16. Consent to Jurisdiction; Waiver of Jury Trial. CITY AND BANK GROUP EACH AGREE TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT IN CHICAGO, ILLINOIS AND WAIVE ANY OBJECTION WHICH SUCH PARTY MAY HAVE BASED ON IMPROPER VENUE OR *FORUM NON CONVENIENS* TO THE CONDUCT OF ANY PROCEEDING IN ANY SUCH COURT. LENDER AND CREDITOR EACH WAIVE, TO THE EXTENT PERMITTED BY LAW, TRIAL BY JURY.

17. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

If to Bank Group:     The First National Bank of Chicago, as administrative  
agent for itself and other co-lenders  
One First National Plaza, Suite 0091  
Chicago, Illinois 60670  
Attn: Peter Coburn

If to City: Commissioner  
Department of Planning and Development  
121 North LaSalle Street, Room 1000  
Chicago, Illinois 60602  
Fax: 312/744-0113

with a copy to: Office of Corporation Counsel  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attn: Real Estate and Land Use Division  
Fax: 312/742-0277

or to such other address as any party may designate for itself by notice. Notice shall be deemed to have been duly given (a) if delivered personally or otherwise actually received, (b) if sent by overnight delivery service, or (c) sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail, postage prepaid). Notice given shall be effective upon receipt by the addressee thereof provided that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

18. Liabilities. The liabilities and obligations of the Banks hereunder shall be several and not joint.

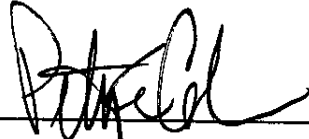
IN WITNESS WHEREOF, the undersigned have executed this City-Lender Agreement as of the day, month and year first above written.

THE CITY OF CHICAGO, an Illinois municipal corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

THE FIRST NATIONAL BANK OF CHICAGO, a national banking association, as administrative agent for itself and for other lenders

By: 

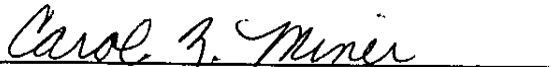
Its: VICE PRESIDENT

HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation

By: 

Its: Vice President

THE NORTHERN TRUST COMPANY, an Illinois banking corporation

By: 

Its: Vice President

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, the undersigned have executed this City-Lender Agreement as of the day, month and year first above written.

THE CITY OF CHICAGO, an Illinois municipal corporation

By: CHARLES

Its: Commissioner of Planning and Development

THE FIRST NATIONAL BANK OF CHICAGO, a national banking association, as administrative agent for itself and for other lenders

By: \_\_\_\_\_

Its: \_\_\_\_\_

HARPS TRUST AND SAVINGS BANK, an Illinois banking corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

THE NORTHERN TRUST COMPANY, an Illinois banking corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_



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EXHIBIT A  
LEGAL DESCRIPTION

A PARCEL OF LAND IN BLOCK 35 IN THE ORIGINAL TOWN OF CHICAGO, SAID PARCEL BEING COMPRISED OF LOT 1, THE EAST HALF OF THE EAST HALF OF LOT 2, THE EAST 19 FEET OF THE WEST HALF OF THE EAST HALF OF LOT 2 (THE WEST 18 FEET THEREOF BEING THE PUBLIC ALLEY DEDICATED BY INSTRUMENT RECORDED AS DOCUMENT 19038448) ALL OF LOTS 7 AND 8, AND THAT PART OF WEST COUCH PLACE, 18.00 FEET WIDE, LYING NORTH OF AND ADJOINING SAID LOTS 7 AND 8, LYING EAST OF THE NORTHWARD EXTENSION OF THE WEST LINE OF SAID LOT 7, AND LYING WEST OF THE NORTHWARD EXTENSION OF THE EAST LINE OF SAID LOT 8;

EXCEPTING THEREFROM THOSE PARTS OF SAID LOTS 7 AND 8 LYING SOUTH OF A LINE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF LOT 8 IN BLOCK 35, WHICH POINT IS 79.40 FEET NORTH FROM THE SOUTHEAST CORNER OF SAID LOT, AS MEASURED ALONG SAID EAST LINE; THENCE WEST, PERPENDICULAR TO SAID EAST LINE, A DISTANCE OF 87.81 FEET; THENCE NORTH, PERPENDICULAR TO THE LAST DESCRIBED LINE, A DISTANCE OF 5.00 FEET; THENCE WEST, PERPENDICULAR TO THE LAST DESCRIBED LINE, A DISTANCE OF 73.17 FEET TO A POINT ON THE WEST LINE OF A FOREMENTIONED LOT 7 WHICH IS 82.25 FEET NORTH FROM THE SOUTHWEST CORNER OF SAID LOT, AS MEASURED ALONG SAID WEST LINE; ALL IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PROPERTY AND SPACE ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 123.89 FEET, CHICAGO CITY DATUM, AND LYING WITHIN THE BOUNDARIES PROJECTED VERTICALLY OF THE FOLLOWING DESCRIBED PARCEL OF LAND, TO WIT:

LOT 1 AND THE EAST 1/4 OF LOT 2 IN BLOCK 35 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

The public alley and Couch Place referenced above were vacated pursuant to instrument recorded as Document No. 98552263.

PINS

17-09-436-010

17-09-436-011

17-09-437-006

17-09-437-009-8001

120 N. Dearborn, Chicago, IL 60601

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EXHIBIT B

Property of Cook County Clerk's Office

November 18, 1998

BUDGET ITEM	Anticipated costs allocable to TIF FUNDING	Anticipated costs allocable to PRIVATE FUNDING	TOTAL Anticipated Costs November 18, 1998
<b>Area of construction - Theaters</b>			
Area of construction - Theaters	74,550	49,650	124,200
Percentage of Total Area	60%	40%	
<b>Area of construction - Retail (approximate)</b>			
Area of construction - Retail (approximate)		71,950	71,950
Total area of construction (approximate)	74,550	121,600	196,150
<b>Land</b>			
Purchase			0
Interest Prepayment	250,000		250,000
Real Estate Taxes	175,000		175,000
Subtotal Land Cost	425,000		425,000
<b>Construction</b>			
<b>Construction - Theaters</b>			
Demolition of Garrick garage	0	0	0
Construction & Performance Equipment	16,635,000	14,685,000	31,320,000
Subtotal Construction - Theaters	16,635,000	14,685,000	31,320,000
Contingency - Theaters	285,000	398,850	683,850
<b>Construction - Retail Development</b>			
Construction - Base Building*			
Construction - Tenant Buildout*			
Subtotal Construction - Retail Development			
Contingency - Retail Development*			
Subtotal Construction**	16,920,000	15,083,850	32,003,850
<b>Architect and Engineering Fees</b>			
Base Contract	1,692,705	1,160,295	2,853,000
Reimbursables	185,194	128,306	313,500
A/E Fees - Retail Development*			
Model	15,006	9,994	25,000
Predevelopment	87,035	57,965	145,000
Structural Investigation - TT-CBM	47,000		47,000
Acoustical Consultant			
Base Contract	96,138	64,862	161,000
Acoustical Consultant Reimbursables	9,379	6,371	15,750
Theater/Audio Visual Consultant			
Theater Design	279,106	190,894	470,000
Theater Consultant Reimbursables	30,012	20,388	50,400
Predevelopment Reimbursables	41,000		41,000
Theater Consulting Fees for predevelopment	108,000		108,000
Subtotal A/E Fees**	2,590,574	1,639,076	4,229,650
<b>Development Management</b>			
Consulting - Base Contract	815,668	483,332	1,299,000
Consulting - Reimbursables	31,262	21,238	52,500
Project Management - Personnel	360,145	239,855	600,000
Project Management - Reimbursables	150,060	99,940	250,000
Subtotal Development Management	1,357,135	844,365	2,201,500
<b>Cost Consultant</b>			
Base Contract	93,047	53,953	147,000

November 16, 1998

BUDGET ITEM	Anticipated costs allocable to TIF FUNDING	Anticipated costs allocable to PRIVATE FUNDING	TOTAL Anticipated Costs November 16, 1998
Predevelopment Fees - Turner	3,000		3,000
Reimbursables	13,806	9,194	23,000
Subtotal Cost Consultant	109,853	63,147	173,000
<b>Owner's General Requirements</b>			
Lender's/City Inspecting Architect	87,016	25,984	113,000
Geotechnical Investigation	3,000	3,000	6,000
Structural Testing - Borings	3,000		8,000
Vibration Study	5,000		5,000
Environmental Testing & Inspection		5,000	5,000
Structural Investigation Support - Mertex Construction	27,000		27,000
Testing & Inspection Foundations/Caissons	30,012	19,988	50,000
Materials	30,012	19,988	50,000
Seismic Monitoring	3,601	2,399	6,000
Insurance & Escrow Services	44,748	45,252	90,000
C.E. Co. Excess Facilities Charge	54,022	35,978	90,000
Utility Relocations	12,005	7,995	20,000
Surveys	4,802	3,198	8,000
Preconstruction Survey	15,006	9,994	25,000
Relocation		21,000	21,000
<b>Fixtures &amp; Equipment</b>			
Telephone System/Phone & Data Cabling	140,000	60,000	200,000
Computer Equipment	0	50,000	50,000
Security Equipment	31,000	19,000	50,000
Fixtures & Equipment	36,400	163,600	200,000
Donor Recognition Signage		50,000	50,000
Owner Supplied Performance Equipment		380,000	380,000
Subtotal Fixtures & Equipment - Theaters	531,624	542,376	1,454,000
Retail Development*			
Subtotal Owner's General Requirements**	531,624	542,376	1,454,000
<b>Soft Costs:</b>			
Legal	150,000	100,000	250,000
Marketing	0	1,392,000	1,392,000
Subtotal Soft Costs	150,000	1,492,000	1,642,000
Subtotal Hard and Soft Costs	22,084,186	19,664,813	42,129,000
<b>Financing Costs:</b>			
<b>Theaters</b>			
Issuance Costs		319,000	319,000
Capitalized Interest	765,600	1,786,400	2,552,000
Subtotal Financing - Theaters	765,600	2,105,400	2,871,000
<b>Retail Development</b>			
Capitalized Interest*			
Subtotal Financing Costs**	765,600	2,105,400	2,871,000
<b>Total Project Costs **</b>	<b>22,849,786</b>	<b>21,770,213</b>	<b>45,000,000</b>



November 18, 1998

BUDGET ITEM	Anticipated costs allocable to TIF FUNDING	Anticipated costs allocable to PRIVATE FUNDING	TOTAL Anticipated Costs November 18, 1998
Theaters Only	\$22,849,786	\$21,770,213	\$45,000,000
Retail Development Only	\$0	\$0	\$0

- Key:
- Costs related to Retail Development are currently under review and are not reported
  - Costs indicated are Theatre only and do not include Retail Development

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Exhibit C  
UNOFFICIAL COPY  
The Goodman Theatre  
**Goodman**

99108854

Chicago Theatre Group, Inc.

Robert Falls, Artistic Director Roche Schuller, Executive Director

October 28, 1998

Christopher R. Hill  
Commissioner  
Department of Planning and Development  
Room 1000, City Hall  
Chicago, IL 60602

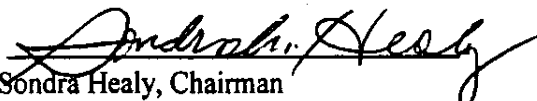
RE: Block 35, Central Loop Project  
Redevelopment Agreement  
Goodman Theatre Project

Dear Commissioner:

Please accept this letter as further clarification regarding insurance to be obtained by the Chicago Theatre Group, Inc. d/b/a The Goodman Theatre ("Goodman") during the construction of the Theater Project pursuant to the terms and conditions of the Redevelopment Agreement dated April 17, 1998 between the City of Chicago and the Goodman, and the Ground Lease affecting the Theater Parcel entered into by the parties as of October 15, 1998. Please be advised that the Goodman shall obtain builders' risk insurance listing the City as loss payee in the aggregate amount of \$50 million, with specific coverage for the Harris and Selwyn Theaters for \$2,000,000 and \$2,000,000 covering architectural and engineering expenses. The term of the builders' risk insurance shall be a period of twenty-four months based in part on Goodman's projected construction schedule for the Theater project; however, the Goodman understands and represents to the City of Chicago that the Goodman, at its sole expense, will maintain builders' risk insurance affecting the Theater project in accordance with the terms and conditions of this letter agreement for such additional period of time in which the construction of the Theater Project exceeds twenty-four months.


Please indicate your acceptance of these terms and conditions described herein by executing each of the dual originals of this letter agreement.

CHICAGO THEATRE GROUP, INC.,  
An Illinois not for profit corporation

  
Sondra Healy, Chairman

ACCEPTED:

CITY OF CHICAGO,  
An Illinois municipal corporation

  
\_\_\_\_\_  
Christopher R. Hill  
Commissioner  
Department of Planning and Development

# UNOFFICIAL COPY

99108854

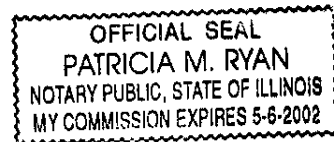
STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

I, Patricia M. Ryan a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Christopher R. Hill, as Commissioner of The City of Chicago, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such COMMISSIONER of said corporation, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act on behalf of corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29<sup>th</sup> day of January 1999.

of Planning  
and Development

Patricia M. Ryan  
Notary Public

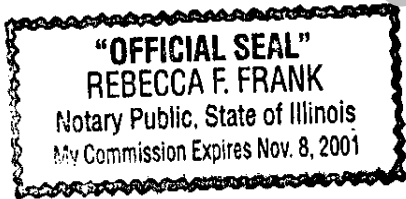


STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, Rebecca Frank, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Peter Coburn Vice President, and \_\_\_\_\_, Secretary, of First Chicago NBD, a national banking association, as agent for itself and for Harris Trust and Savings Bank, an Illinois banking association, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 28<sup>th</sup> day of January 1999.

Rebecca Frank  
Notary Public





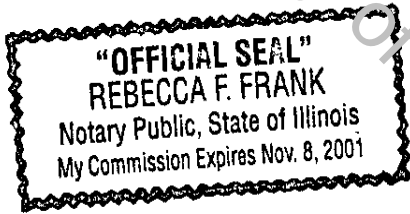
UNOFFICIAL COPY 99108854

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, Rebecca Frank, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Carol Miner Vice, President, and \_\_\_\_\_, Secretary, of The Northern Trust Company, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 28<sup>th</sup> day of January 1999.

Rebecca Frank  
Notary Public

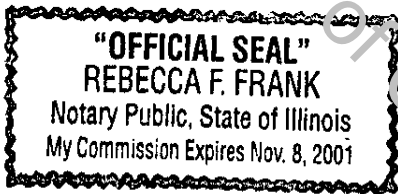


STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, Rebecca Frank, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Gloria Lynn Endicott Vice President, and \_\_\_\_\_, Secretary, of Harris Trust and Savings Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 28<sup>th</sup> day of January 1999.

Rebecca Frank  
Notary Public



Property of Cook County Clerk's Office

CONSENT

The undersigned hereby consents to, and acknowledges receipt of a copy of, the foregoing City-Lender Agreement this 28 day of JANUARY 1999 and agrees that, except as provided in the foregoing City-Lender Agreement, it will not pay any of the Junior Debt or grant any additional security therefor, until the Senior Debt shall have been paid in full and satisfied and all Loan Documents have been terminated. Capitalized terms used in this Consent shall have the meaning ascribed to such terms in the foregoing City-Lender Agreement.

THE GOODMAN THEATER

By: [Signature]

Its: GENERAL MANAGER

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