

0010281753

14000000 73 001 Page 1 of 110
2001-04-09 14:16:06
City Recorder 317.80



PD2M\REDEVAGRFORMJULY 2000.WPD

NA 1003704 / NC Cash Co, IL
NB 1003704 / ND Cash Co, IL
01003704
Main File

MEDINAH TEMPLE/TREE STUDIOS REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

MEDINAH TEMPLE, INC., UNIT BUILDING, INC., AND TREE STUDIOS,
L.L.C.

WITH A LIMITED JOINDER BY

BLOOMINGDALES, INC.

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

150
003
1003

TABLE OF CONTENTS

	PAGE
SECTION 1. RECITALS	4
SECTION 2. DEFINITIONS	5
SECTION 3. THE PROJECT	18
3.01 <u>The Project.</u>	18
3.02 <u>Scope Drawings and Plans and Specifications.</u>	18
3.03 <u>Project Budgets</u>	19
3.04 <u>Change Orders</u>	19
3.05 <u>DPD Approval</u>	20
3.06 <u>Other Approvals</u>	20
3.07 <u>Progress Reports and Survey Updates</u>	21
3.08 <u>Inspecting Agent or Architect</u>	22
3.09 <u>Barricades</u>	22
3.10 <u>Signs and Public Relations.</u>	22
3.11 <u>Utility Connections</u>	22
3.12 <u>Permit Fees</u>	23
SECTION 4. FINANCING	23
4.01 <u>Total Project Cost and Sources of Funds</u>	23
4.02 <u>Developer Funds.</u>	23
4.03 <u>City Funds.</u>	25
4.04 <u>Requisition Form.</u>	29
4.05 <u>Treatment of Prior Expenditures and Subsequent</u> <u>Disbursements</u>	29
4.06 <u>Cost Overruns</u>	30
4.07 <u>Execution of Certificate of Expenditure</u>	30
4.08 <u>Conditional Grant</u>	31
4.09 <u>Cost of Issuance</u>	32
SECTION 5. CONDITIONS PRECEDENT	32
5.01 <u>Project Budget</u>	32
5.02 <u>Scope Drawings and Plans and Specifications</u>	32
5.03 <u>Landmark Designation and</u> <u>Other Governmental Approvals</u>	32
5.04 <u>Financing</u>	33
5.05 <u>Acquisition and Title</u>	33
5.06 <u>Evidence of Clean Title</u>	33
5.07 <u>Surveys</u>	34
5.08 <u>Insurance</u>	34
5.09 <u>Opinion of Counsel</u>	34
5.10 <u>Evidence of Prior Expenditures</u>	34
5.11 <u>Financial Statements</u>	34
5.12 <u>Documentation</u>	34
5.13 <u>Environmental</u>	34
5.14 <u>Corporate Documents; Economic Disclosure Statement</u>	35
5.15 <u>Litigation</u>	35
5.16 <u>Bloomington Lease</u>	35
5.17 <u>Payment and Performance Bond</u>	35
5.18 <u>Conditions Precedent to Initial Payment of City</u>	

	<u>Funds</u>	35
5.19	<u>Conditions Precedent to Any Payment of City Funds</u>	36
SECTION 6. AGREEMENTS WITH CONTRACTORS		37
6.01	<u>Bid Requirement for General Contractor and Subcontractors</u>	37
6.02	<u>Construction Contract</u>	38
6.03	<u>Performance and Payment Bonds.</u>	38
6.04	<u>Employment Opportunity</u>	38
6.05	<u>Other Provisions</u>	38
SECTION 7. COMPLETION OF REHABILITATION		39
7.01	<u>Certificate of Completion of Rehabilitation</u>	39
7.02	<u>Effect of Issuance of Certificate; Continuing Obligations</u>	39
7.03	<u>Failure to Complete</u>	40
7.04	<u>Notice of Expiration of Term of Agreement</u>	41
SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER PARTIES.		41
8.01	<u>General</u>	41
8.02	<u>Covenant to Redevelop</u>	43
8.03	<u>Redevelopment Plan</u>	44
8.04	<u>Use of City Funds</u>	44
8.05	<u>TIF Bonds</u>	44
8.06	<u>[Intentionally Deleted]</u>	44
8.07	<u>Employment Opportunity; Progress Reports</u>	44
8.08	<u>Employment Profile</u>	44
8.09	<u>Prevailing Wage</u>	45
8.10	<u>Arms-Length Transactions</u>	45
8.11	<u>Conflict of Interest</u>	45
8.12	<u>Disclosure of Interest</u>	45
8.13	<u>Financial Statements</u>	46
8.14	<u>Insurance</u>	46
8.15	<u>Non-Governmental Charges</u>	46
8.16	<u>Developer's Liabilities</u>	47
8.17	<u>Compliance with Laws</u>	47
8.18	<u>Recording and Filing</u>	47
8.19	<u>Real Estate Provisions</u>	47
8.20	<u>Use and Leasing Covenants</u>	50
8.21	<u>Public Benefits; Exterior Improvements</u>	53
8.22	<u>Preservation Work</u>	53
8.23	<u>Relocation Assistance</u>	54
8.24	<u>Bloomington Lease</u>	54
8.25	<u>Survival of Covenants</u>	54
SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY		55
9.01	<u>General Covenants</u>	55
9.02	<u>Survival of Covenants</u>	55

SECTION 10.	DEVELOPER'S EMPLOYMENT OBLIGATIONS	55
10.01	<u>Employment Opportunity</u>	55
10.02	<u>City Resident Construction Worker Employment Requirement</u>	57
10.03	<u>The Developer Parties' MBE/WBE Commitment</u>	59
SECTION 11.	ENVIRONMENTAL MATTERS	61
SECTION 12.	INSURANCE	62
SECTION 13.	INDEMNIFICATION	66
13.01	<u>General Indemnity</u>	66
SECTION 14.	MAINTAINING RECORDS/RIGHT TO INSPECT	67
14.01	<u>Books and Records</u>	67
14.02	<u>Inspection Rights</u>	68
14.03	<u>Annual Reporting</u>	68
SECTION 15.	DEFAULT AND REMEDIES	68
15.01	<u>Events of Default</u>	68
15.02	<u>Curative Period</u>	70
15.03	<u>Remedies</u>	71
15.04	<u>No Cross Default</u>	71
SECTION 16.	MORTGAGING OF THE PROJECT	72
SECTION 17.	NOTICE	74
SECTION 18.	MISCELLANEOUS	75
18.01	<u>Amendment</u>	75
18.02	<u>Entire Agreement</u>	75
18.03	<u>Limitation of Liability</u>	75
18.04	<u>Further Assurances</u>	75
18.05	<u>Waiver</u>	75
18.06	<u>Remedies Cumulative</u>	75
18.07	<u>Disclaimer</u>	75
18.08	<u>Headings</u>	77
18.09	<u>Counterparts</u>	77
18.10	<u>Severability</u>	77
18.11	<u>Conflict</u>	77
18.12	<u>Governing Law</u>	77
18.13	<u>Form of Documents</u>	77
18.14	<u>Approval</u>	77
18.15	<u>Assignment</u>	77
18.16	<u>Binding Effect</u>	78
18.17	<u>Force Majeure</u>	78
18.18	<u>Exhibits</u>	78
18.19	<u>Business Economic Support Act</u>	78
18.20	<u>Venue and Consent to Jurisdiction</u>	79
18.21	<u>Costs and Expenses</u>	79
18.22	<u>Business Relationships</u>	79
18.23	<u>No Modification of Bloomingdale's Lease</u>	80
LIMITED JOINDER.....		119

LIST OF EXHIBITS

Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C-1	*Medinah Temple Property
Exhibit C-2	*Unit Building Property
Exhibit C-3	*Tree Studios Property
Exhibit D	*Description of Preservation Work
Exhibit E	*TIF-Funded Improvements
Exhibit F	Redevelopment Plan
Exhibit G	*Definition of Arts-Related Businesses
Exhibit H	Bloomington Construction Contract
Exhibit I-1	*Bloomington Project Budget
Exhibit I-2	*Bloomington MBE/WBE Budget
Exhibit J	Developer General Contract
Exhibit K-1	*Developer Project Budget
Exhibit K-2	*Developer MBE/WBE Budget
Exhibit L	Form of Note
Exhibit M	*Notice of Proposed Transfer/Refinancing
Exhibit N	*Permitted Liens
Exhibit O	*Requisition Form
Exhibit P	*Approved Prior Expenditures
Exhibit Q	Subordination Agreement
Exhibit R	Opinion of Developer's Counsel
Exhibit S	Form of Payment Bond
Exhibit T	*Preliminary TIF Projection -- Real Estate Taxes
Exhibit U	*Public Benefit Requirements

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

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

MEDINAH TEMPLE/TREE STUDIOS REDEVELOPMENT AGREEMENT

This Medinah Temple/Tree Studios Redevelopment Agreement (this "Agreement") is made as of this 6th day of April, 2001 by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), Medinah Temple, Inc., an Illinois corporation ("Medinah Temple Owner"), Unit Building, Inc., an Illinois corporation ("Unit Building Owner"), Tree Studios, LLC ("Tree Studios Owner") (each, a "Developer Party," and collectively, the "Developer Parties"). Bloomingdale's, Inc., an Ohio corporation, has also executed the Limited Joinder attached hereto for purposes of joining in the obligations of Bloomingdales described herein and in the Limited Joinder. Capitalized terms not otherwise defined herein shall have the meaning set forth in Section 2.

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on June 7, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Ohio/Wabash Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Ohio/Wabash 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 Ohio/Wabash 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 Parties intend to redevelop the historically significant Medinah Temple Building, the Tree Studios Building (comprised of the State Street building and two annexes), the Unit Building and an interior courtyard, located within the Redevelopment Project Area and legally described on Exhibit B hereto (the "Property"). The development encompasses a full city block bounded by East Ohio Street, North Wabash Avenue, East Ontario Street and North State Street.

The redevelopment of the Medinah Temple Building will be accomplished by Medinah Temple Owner's purchase of a fee simple interest in the real property underlying the Medinah Temple Building, legally described on Exhibit C-1 (the "Medinah Temple Property"), plus a reversionary interest in the Medinah Temple Building. Bloomingdale's will purchase a fee simple determinable interest in the Medinah Temple Building only, and will execute a 25 year ground lease, with six ten-year extension options, with respect to the Medinah Temple Property (together, the "Bloomingdales Property"). The fee simple determinable interest in the Medinah Temple Building will terminate upon the expiration or earlier termination of such ground lease. Upon completion of redevelopment, the Medinah Temple Building will house an approximately 120,000 square foot, four-story Bloomingdale's Home Store. The Medinah Temple Building will be subject to the restrictions in Section 8.20(a). Medinah Temple Owner and Bloomingdales will each be responsible for certain rehabilitation work associated with the redevelopment of the Medinah Temple Building. The rehabilitation work to be performed by Medinah Temple Owner, together with Medinah Temple Owner's other obligations under this Agreement, is referred to hereinafter

as the "Medinah Temple Project." The rehabilitation work to be performed by Bloomingdales, together with Bloomingdales' obligations under the Limited Joinder attached hereto, is referred to hereinafter as the "Bloomingdales Project." The Bloomingdales Project includes creation of 85 full-time equivalent jobs on the Opening Date.

The redevelopment of the Unit Building will be accomplished by Unit Building Owner's purchase of the real property underlying the Unit Building, legally described on Exhibit C-2, and all improvements thereon (the "Unit Building Property"). The Unit Building, an annex located behind Medinah Temple, will be converted to a commercial rental property. An addition to the structure as described in Exhibit D, will also be added. The Unit Building will be subject to the leasing restrictions in Section 8.20(b). The rehabilitation and construction work to be performed by the Unit Building Owner, together with the Unit Building Owner's other obligations under this Agreement, is referred to hereinafter as the "Unit Building Project." The rehabilitation and construction work relating to only the exterior of the Unit Building will have the same level of review applicable to features identified on Exhibit D attached hereto and made a part hereof notwithstanding that such exterior features are not contributing features to the landmark designation.

The redevelopment of the Tree Studios Building will be accomplished by Tree Studio Owner's purchase of the real property underlying the Tree Studios Building, legally described on Exhibit C-3, and all improvements thereon (the "Tree Studios Property") and the rehabilitation thereof in accordance with the Secretary of Interior's Standards for Rehabilitation of Historic Structures. The basement level space may be extended under the courtyard and is anticipated to be used as a restaurant or for other retail purposes. The basement, grade-level, second and third floors and annexes will be subject to the leasing restrictions in Section 8.20(c), which restrictions include leasing certain specified areas to Artists and Arts-Related Businesses as set forth herein. The rehabilitation work to be performed by Tree Studios Owner, together with Tree Studios Owner's other obligations under this Agreement, is referred to hereinafter as the "Tree Studios Project."

Exhibit D sets forth the scope of preservation work that will take place as part of the redevelopment project. Previously, the State Street portion of Tree Studios Building has been designated by the City of Chicago as a Chicago Landmark. As part of the redevelopment project, the Developer Parties and Bloomingdales, as applicable, will execute and file such customary consent(s) and/or applications as may be necessary to have the entire block including the Medinah Temple Building, the Tree Studios Building and annexes, the Unit Building (as a non-contributing feature) and the courtyard designated a City of Chicago Landmark.

The Medinah Temple Project, the Unit Building Project and the Tree Studios Project, including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit E, are sometimes referred to herein collectively as the "Developer Project." The Developer Project and the Bloomingdales Project are sometimes referred to herein collectively 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 Ohio/Wabash Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as Exhibit F.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) the proceeds of the City Notes (defined below) and/or (ii) Incremental Taxes (as defined below), to pay for or reimburse the Medinah Temple Owner and the Unit Building Owner for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement and the City Notes.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(c) hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes (including any payments made pursuant to any City Notes), to make payments of principal and interest on and/or to fully repay the City Notes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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.

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

"Approved Purchaser" shall mean: (i) any publicly traded real estate investment trust or any private real estate investment trust or operating partnerships of which such trusts own a majority interest, foreign pension fund, foreign insurance company or privately held entity with net assets in excess of \$250 million; (ii) any pension fund or investment fund subject to the requirements of ERISA, or any manager thereof, with net assets in excess of \$250 million; (iii) any health, welfare or retirement fund of any governmental institution or other entity which would be subject to ERISA but for an exemption in ERISA, or any manager thereof, with net assets in excess of \$250,000; (iv) any public investment fund, private investment fund or similar entity, regulated by (or specifically exempt from regulation under) federal or state securities laws, whose invested equity funds, equity funds held pending investment or funds subject to capital calls exceed \$250 million; (v) any entity in which either Albert M. Friedman, or any Ten Percent Owner is individually, or are collectively, the majority owner(s); (vi) the lender providing the Lender Financing or an entity controlled by such lender; and (viii) each of Bloomingdales, Federated Department Stores, Inc., and any Successor of either. Notwithstanding the foregoing, no person or entity shall be an Approved Purchaser if it (or its principal officers or directors) is in violation of any City laws.

"Approved Tenants" shall mean (a) with respect to the Bloomingdales Property, (i) Bloomingdales, Federated Department Stores, Inc., or any Successor of either, or any Affiliate of any of them, (ii) any tenant under the Bloomingdales Lease and any sublessee permitted under the Bloomingdales Lease, and (iii) in the event of a default under the Bloomingdales Lease by Bloomingdales or mutually agreed termination of the Bloomingdales Lease, and a reletting of the Premises by the Medinah Temple

Owner, such successor tenant as shall be reasonably acceptable to DPD, as evidenced by its prior written consent, provided that such consent shall not be unreasonably withheld or delayed if the proposed successor tenant (A) has a net worth of not less than \$50 million, (B) has a use permitted under the Planned Development, (C) if a retailer, will engage in a high-end, upscale retail business comparable to Bloomingdale, and (D) is not in violation of any City legal requirements, and (b) with respect to the Tree Studios Building and annexes, such other tenants as shall be approved by DPD. DPD shall approve proposed tenants within ten (10) business days of its receipt of a written leasing proposal identifying the proposed tenant and primary economic terms of the lease (including the Below Market Rent, if applicable). DPD's failure to approve a proposed tenant within such ten (10) business day period shall be deemed a disapproval with respect to proposed tenants for the Tree Studios Building and annexes.

"Artist" shall mean a person regularly engaged in the creation of the fine arts. This does not mean that the art the artist creates generates the artist's income, nor does it require that the creation of art occupies the greatest portion of the artist's day. An artist is committed to his or her work, has a body of work that demonstrates the development of that art, and intends to pursue that work for the foreseeable future. As used herein, the fine arts shall include, but not be limited to, painting, drawing, sculpture, choreography, music composition, dramatic art, film, video, graphic art, glass works, ceramics, textiles, woodworking, photography, custom made jewelry or apparel and other visual, performance and sound arts and/or crafts.

"Artist Advisory Committee" shall mean a committee consisting of one or more representatives from the City's Department of Cultural Affairs and, at the City's discretion, one representative from the Chicago artist community designated by the Commissioner of the Department of Cultural Affairs, which shall have the duties specified in Section 8.20(c).

"Arts-Related Business" shall mean a business activity similar in nature to those listed on Exhibit G, or such other arts-related business activity as may otherwise be approved by the Commissioner, in the Commissioner's sole discretion.

"Below Market Rents" shall mean, with respect to the rent to be charged for Tree Studio Buildings units on the second and third levels subject to the Below Market Rent restrictions, for the ten (10) year period described in Section 8.20(c), rents that are, at the time of lease execution, 25% less than the then-prevailing rents being charged for the units on the second and third floors that are not subject to such Below Market Rent Restrictions. Leases subject to such Below Market Rent

restrictions may include increases in base rent after the initial lease year that are attributable to market rate increases but may not include increases the practical effect of which would be to eliminate such Below Market Rent rate. The Commissioner of DPD, in the Commissioner's sole discretion, may consent to an increase in the Below Market Rent above the level established above if the Developer Parties demonstrate that such an increase is necessary to sustain the economic viability of the Tree Studios Project.

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

"Bloomingtondales Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit H, or, if not so attached, as subsequently delivered to DPD in accordance with Section 6, to be entered into between Bloomingtondales and the Bloomingtondales General Contractor providing for construction of the Bloomingtondales Project.

"Bloomingtondales Event of Default" shall have the meaning set forth in Section 11 of the Limited Joinder.

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

"Bloomingtondales Lease" shall mean that certain Ground Lease between Medinah Temple, Inc. and Bloomingtondales, Inc., dated April 6, 2001, as the same may be amended from time to time.

"Bloomingtondales MBE/WBE Budget" shall mean the budget attached hereto as Exhibit I-2.

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

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

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

"Bloomingtondales Property" shall have the meaning set forth in the Recitals hereto.

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

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

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

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

"City Fee" [INTENTIONALLY OMITTED]

"City Funds" shall mean the funds paid to Medinah Temple Owner and Unit Building Owner by the City pursuant to the City Notes. If TIF Bonds are issued, "City Funds" shall also mean any funds paid to Medinah Temple Owner and Unit Building Owner from proceeds of the TIF Bonds, and any other funds paid pursuant to Section 4.03(c).

"City Note" shall mean either the Medinah Temple Note or the Unit Building Note, as applicable, and "City Notes" shall mean both such notes, collectively.

"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.

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

"DCCA" shall mean the State of Illinois Department of Commerce and Community Affairs, or any other State of Illinois department or agency.

"Defaulted Note Amount" shall mean, with respect to the Medinah Temple Note and/or the Unit Building Note, as applicable, an amount equal to the sum of (i) the Defaulted Principal Amount, plus (ii) 10% simple interest per annum on the Defaulted Principal Amount from the Opening Date through the last day before the occurrence of an event described in Section 15.01(n). For illustrative purposes, if such event giving rise to a reduction in the Medinah Temple Note occurs two years and one day after such issuance, the Defaulted Note Amount would be

\$1,722,000 (\$1,435,000 + [2 x (\$1,435,000 x .10)]). If such event giving rise to reduction in the Unit Building Note occurs on such same date, the Defaulted Note Amount would be \$1,278,000 (\$1,065,000 plus [2 x (\$1,065,000 x .10)]).

"Defaulted Principal Amount" shall mean (a) with respect to the Medinah Temple Note, the product of (i) \$7,175,000, times (ii) a fraction, the numerator of which is the number of months from and including the month in which the Opening Date falls, through the month in which the occurrence of an event described in Section 15.01(n) occurs, and the denominator of which is 120, and (b) with respect to the Unit Building Note, the product of (i) \$5,325,000, times (ii) a fraction, the numerator of which is the number of months from and including the month in which the Opening Date falls, through the month in which the occurrence of an event described in Section 15.01(n) occurs, and the denominator of which is 120.

"Developer Certificate" shall mean the Certificate of Completion of Rehabilitation issued to the Developer Parties described in Section 7.01 hereof

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

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

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

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

"Developer Party" shall mean each of the Medinah Temple Owner, the Tree Studios Owner and the Unit Building Owner, individually, but specifically excluding Bloomingdales.

"Developer Parties" shall mean the Medinah Temple Owner, the Tree Studios Owner or the Unit Building Owner, collectively, or any two of such entities, as applicable, but specifically excluding Bloomingdales.

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

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

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

"Developer Reimbursement Event" shall mean an act or omission of any Developer Party or its Affiliate, resulting in a Developer Event of Default relating to: (i) a material and intentional misrepresentation to the City related to the Project; (ii) a fraudulent act or omission related to the Project; (iii) a material and intentional misappropriation of funds from the uses set forth in the Developer Project Budget resulting in the receipt by any Developer Party or its Affiliates of additional fees, commissions or compensation not disclosed in such Developer Project Budget or otherwise approved in writing by DPD; (iv) any intentional or material waste to the Project improvements or any portion thereof; (v) any unapproved use of City Funds for payment or reimbursement of amounts other than the TIF-Funded Costs identified on Exhibit E; (vi) a material breach of the provisions in Sections 8.01(j)(iii) and (iv) or a breach of Section 8.01(j)(i), (ii) or (v), Section 8.01(k) or Section 18.15; (vii) any material breach of the representations, warranties or covenants regarding environmental matters contained in this Agreement, as applicable; (viii) the occurrence of any material uninsured casualty event to the any portion of the Project improvements unless the portion of the improvements damaged by such event is restored within a reasonable period of time; (ix) the material misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Project; (x) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by the Developer Parties; (xi) any receipt of City Funds after the occurrence of a Developer Event of Default, or the occurrence of an event which, if prompt notice of such event had been given, would have entitled the City to withhold, suspend, reduce or terminate the disbursement of such City Funds under this Agreement, or (xii) a material breach of the financial arrangement restrictions in Section 8.24(b) of this Agreement.

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

"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 Parties (other than funds derived from Lender Financing or the sale or syndication of historic tax credits) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, as the same may be increased pursuant to this Agreement. For purposes of satisfying the closing Equity requirement of \$6,000,000 only (and not for other purposes, such as for purposes of Section 4.02(b), 4.03(c) or 4.05(a)), "Equity" shall also include the \$1,000,000 deferred developer's fee.

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into by the Title Company (or an affiliate of the Title Company), the Developer Parties and the lender providing the Lender Financing.

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

"Fast Food Restaurant" shall mean a fast food restaurant where most customers order and are served their food at a counter in packages prepared to leave the premises, or able to be taken to a counter to be consumed at such restaurants and such restaurants (a) are part of a chain or franchised restaurant where standardized floor plates are used at several locations; and (b) have a furnishing plan that indicates hard-finished, stationary seating arrangements. "Fast Food Restaurant" shall not include a high-end coffee shop where unheated food products such as sandwiches or salads may be sold as part of such coffee shop's operations.

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

"FTE" shall mean an employee of Bloomingdales or Federated Department Stores Inc. (or, with respect to job shares or similar work arrangements, such employees taken collectively) who is to be employed at least 35 hours per week at the Medinah Temple Building.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Incremental Taxes" shall mean 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 Ohio/Wabash Special Tax Allocation Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Interest Rate" shall mean a per annum interest rate of ten percent (10.00%).

"Landlord Contribution Amount" shall mean an amount equal to \$5,175,000 (being the amount due under Section 5.2 of the Bloomingdales Lease), plus interest thereon from the date of Bloomingdales' advance of such funds at the rate of seven percent (7%) per annum, compounded annually.

"LaSalle/Bloomingdales Debt Amount" shall mean an amount determined from time to time equal to the sum of (a) \$7,500,000, or such lesser amount of indebtedness as may have been advanced by LaSalle Bank, N.A. and be outstanding from time to time with respect to the separate loan made and based on the underwritten collateral value of the Medinah Temple Note and the Unit Building Note, plus interest thereon at the London interbank offer rate then in effect, plus 250 basis points, together with such other charges and costs as may be due LaSalle Bank, N.A., as computed in accordance with the LaSalle Bank, N.A. loan documents, plus (b) the Landlord Contribution Amount, plus (c) costs of issuance of the TIF Bonds.

"Lender Financing" shall mean funds borrowed by the Developer Parties from LaSalle Bank, N.A., or such other lender as may be reasonably acceptable to DPD, and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

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

"Medinah Temple Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (Ohio/Wabash Redevelopment Project Area) Tax Increment Allocation Revenue Note (Medinah Temple Redevelopment Project) Series A to be in the form attached hereto as Exhibit L, in the maximum principal amount of \$7,375,000 (initially with a principal balance of \$7,175,000 but subject to increase by up to \$200,000 pursuant to Section 4.03(b)), issued by the City on the Closing Date. The Medinah Temple Note shall bear interest at the Interest Rate and shall provide for accrued, but unpaid, interest to compound annually and bear interest at the same annual rate.

"Medinah Temple Note Recapture Amount" shall mean an amount equal to the excess, if any, of (a) the aggregate City Funds paid with respect to the Medinah Temple Note (plus, if TIF Bonds are issued, any TIF Bond Proceeds paid to the Medinah Temple Owner, unless the Medinah Temple Owner's payment of such amount to the City would jeopardize the tax-exempt status of any TIF Bonds), over (b) the Defaulted Note Amount.

"Medinah Temple Owner" shall mean Medinah Temple, Inc., an Illinois corporation, together with its permitted successors and permitted assigns.

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

"Medinah Temple Property" shall have the meaning set forth in the Recital hereof.

"Medinah Temple Shortfall Note" shall have the meaning set forth in Section 4.03(c).

"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 Parties, the Property or the Project.

"Notice of Proposed Transfer" shall mean a written notice delivered by the applicable Developer Party to the City in the form of Exhibit M, with all certificates and attachments completed, and a copy of the contract of sale.

"Ohio/Wabash 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.

"Opening Date" shall mean the date Bloomingdales commences operations at the Bloomingdales Property with not less than 85 FTEs, which shall in no event be later than November 1, 2003, subject to delays by the Medinah Temple Owner in delivering the Bloomingdales Property to Bloomingdales for its tenant improvements.

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

"Permitted Transfer" shall mean a Transfer by Albert M. Friedman of any ownership or economic interest held in any Developer Party to (a) a personal trust of Mr. Friedman or his family members, or other legal entity controlled by Mr. Friedman or his family members, or (b) such other person or entity as may be acceptable to the Commissioner of DPD, in the Commissioner's sole discretion, as evidenced by the Commissioner's prior written approval, provided that no Transfer shall be a Permitted Transfer if after giving effect to such Transfer, either (x) Mr. Friedman (and any Friedman trusts) have provided less than 33 1/3% of the Developer Equity (or less than \$2,000,000) or (y) Mr. Friedman (or any Friedman trust), acting independently, is, under the terms of any applicable bylaws or operating agreement, unable to control the operations of the applicable Developer Party.

"Planned Development" shall mean that certain Planned Development approved by the City Council of the City applicable to the Property, as the same may be amended or modified from time to time.

"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.

"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.

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

"Successor" shall mean any entity with whom either Bloomingdales or Federated Department Stores, Inc. 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 either Bloomingdales or Federated Department Stores, Inc., and any person or entity directly or indirectly controlling, controlled by or under common control with Bloomingdales, Federated Department Stores, Inc., or any such Successor.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM Urban Survey of the Property, including separate legal descriptions for the Medinah Temple Property, the Unit Building Property and the Tree Studios Property, dated within 180 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, including such Table A requirements as may reasonably be required, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Unit Building addition and related improvements as required by the City or lender providing Lender Financing).

"Ten Percent Owner" shall mean any individual or entity who directly or indirectly owns ten percent (10%) or more of any Developer's Party's shares or membership interests, as applicable.

"Tenth Anniversary Date" shall mean the tenth anniversary of the Opening Date.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the later of: (a) any date to which DPD and the Developer Parties hereafter agree in writing, (b) the date on which the City Notes have been fully repaid and no City Funds remain payable hereunder, and (c) if TIF

Bonds are issued, the date on which such TIF Bonds have been fully repaid and no City Funds remain payable hereunder.

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

"TIF Bonds" shall have the meaning set forth in the Recitals hereof. "TIF Bonds" shall also include any refunding bonds issued in connection with a refinancing of the initial TIF Bonds.

"TIF Bond Documents" shall mean the TIF Bond Ordinance, the bond indenture and the other documents evidencing and governing the TIF Bonds.

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

"TIF Expiration Date" shall mean June 6, 2023, the last day of the 23rd year from the formation of the Redevelopment Area.

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

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

"Title Company" shall mean Near North National Title Insurance Company.

"Title Policies" shall mean title insurance policies in the most recently revised ALTA or equivalent form, showing (a) the Medinah Temple Owner as fee simple owner of the Medinah Temple Property and holder of a reversionary interest in the Medinah Temple Building, (b) the Unit Building Owner as fee simple owner of the Unit Building Property, and (c) the Tree Studios Owner as fee simple owner of the Tree Studios Property, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"Transfer" shall mean any direct or indirect sale, transfer, conveyance, assignment, lease or other disposition of the Property (excluding any assignment or sublease by the tenant under the Bloomingdales Lease permitted under the terms of the Bloomingdales Lease), or any portion thereof, or any interest or estate therein, or any direct or indirect sale, transfer, assignment or other disposition of any ownership interest in any

Developer Party or any upper-tier owner of any Developer Party that has the practical effect of transferring any ownership interest in or control of the Property. Notwithstanding such definition, the Tree Studios Owner may transfer a non-managing member's interest in Tree Studios, LLC to a person or entity reasonably acceptable to the Commissioner of DPD in connection with the syndication of historic tax credits related to the Tree Studios Building.

"Tree Studios Owner" shall mean Tree Studios, LLC, an Illinois limited liability company, together with its permitted successors and permitted assigns.

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

"Tree Studios Property" shall have the meaning set forth in the Recital hereof.

"Unit Building Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (Ohio/Wabash Redevelopment Project Area) Tax Increment Allocation Revenue Note (Unit Building Redevelopment Project) Series A to be in the form attached hereto as Exhibit L in the maximum principal amount of \$5,325,000, issued by the City to the Unit Building Owner on or as of the date hereof. The Unit Building Note shall bear interest at the Interest Rate and shall provide for accrued, but unpaid, interest to compound annually and to bear interest at the same annual rate.

"Unit Building Note Recapture Amount" shall mean an amount equal to the excess, if any, of (a) the aggregate City Funds paid with respect to the Unit Building Note (plus, if TIF Bonds are issued, any TIF Bond Proceeds paid to the Unit Building Owner, unless the Unit Building Owner's payment of such amount to the City would jeopardize the tax-exempt status of any TIF Bonds,) , over (b) the Defaulted Note Amount.

"Unit Building Owner" shall mean Unit Building, Inc., an Illinois corporation, together with its permitted successors and permitted assigns.

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

"Unit Building Property" shall have the meaning set forth in the Recital hereof.

"Unit Building Shortfall Note" shall have the meaning set forth in Section 4.03(c).

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

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

SECTION 3. THE PROJECT

3.01 The Project.

(a) Developer Project. With respect to the Developer Project, the Developer Parties shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than June 1, 2001, provided, however, that such date shall be extended to a date within thirty (30) days of receipt of foundation permits if the Developer Parties have applied for such permits by May 1, 2001; (ii) complete construction of the Medinah Temple Project no later than February 1, 2003; and (iii) complete construction no later than March 1, 2003.

(b) Bloomington Project. Subject to the provisions of Section 18.17 hereof and further subject to delays by the Developer Parties in delivering the Bloomington Property to Bloomington in order to permit Bloomington to commence construction of the Bloomington Project, Bloomington shall (i) complete construction of the Bloomington Project pursuant to the Bloomington Plans and Specifications no later than November 1, 2003, and (ii) commence operations at the Bloomington Property, with not less than 85 FTEs, no later than the Opening Date.

3.02 Scope Drawings and Plans and Specifications. The Developer Parties have delivered the Developer Scope Drawings and preliminary Developer Plans and Specifications to DPD and DPD has approved same. DPD will also have the right to approve the proposed final Developer Plans and Specifications when they become available. Prior to commencement of the Bloomington Project, the Bloomington Scope Drawings and, on a phase by phase basis, Bloomington Plans and Specifications, shall be delivered to DPD and DPD will approve same. After such initial approval, subsequent proposed changes to either set of Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. All such Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. All necessary documents shall be submitted to the City's Building Department, Department of

any Change Order relating to any of the following must be submitted to DPD for DPD's prior written approval, which approval shall be in DPD's sole discretion: (a) an increase or decrease in the square footage of the Bloomingdales Property of more than 13,000 square feet, as shown on the Bloomingdales Plans and Specifications, or in the Unit Building Project or the Tree Studios Project by more than 10% from the square footage indicated in the corresponding preliminary Plans and Specifications reviewed and approved by DPD; (b) a change in any of the required preservation work described in Exhibit D except for changes for which prior written approval is given by the Commission on Chicago Landmarks; (c) a change in the use of any portion of Property from the uses specified in Section 8.20; or (d) a delay in the completion of the Project of more than three months. The Developer Parties 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 Parties of DPD's written approval (to the extent required in this section). DPD shall approve or disapprove such Change Order within five (5) business days of DPD's written receipt of such Change Order. The Developer Construction Contract and the Bloomingdales Construction Contract, and each contract between such general contractors and any subcontractors, 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 Parties. DPD shall be notified in writing of all Change Orders not requiring DPD's approval and shall identify to DPD the source of funding therefor.

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

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer Parties' and Bloomingdales' obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Neither the Developer Parties nor Bloomingdales shall commence construction of the Developer Project or the Bloomingdales Project, as applicable, until it has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications and the Commission on Chicago Landmarks' approval with respect to the preservation work identified in Exhibit D)

Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Developer Project and the Bloomingdales Project, as applicable.

3.03 Project Budgets.

(a) Developer Project Budget. The Developer Parties have furnished to DPD, and DPD has approved, a Developer Project Budget showing total costs for the Developer Project in an amount not less than Thirty Eight Million and No/100 Dollars (\$38,000,000). Such sum includes the principal amount of the Landlord Contribution Amount, which will, together with interest thereon, become due and payable not later than 36 months after the Closing Date. The Developer Parties hereby certify to the City that (a) the sources of funds described in Section 4.01, which are sufficient to pay for all Developer Project costs; and (b) the Developer Project Budget, are true, correct and complete in all material respects. The Developer Parties 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.

(b) Bloomingdales Project Budget. Bloomingdales has furnished to DPD, and DPD has approved, a Bloomingdales Project Budget showing total costs for the Bloomingdales Project of not less than Twenty One Million One Hundred Eighteen Thousand and No/100 Dollars (\$21,118,000), which amount does not include any amounts included in the Developer Project Budget.

(c) Material Inducement. The Developer Parties acknowledge and agree that the costs identified in the Developer Project Budget and the Bloomingdales Project Budget were a material inducement to the City's agreement to issue and make payments with respect to the City Notes. In the event that actual Developer Project costs are less than the Developer Project Budget, the maximum principal amount of the City Notes shall be reduced as described in Section 4.03(b).

(d) Changes in Project Budgets. Certified copies of any Change Orders with respect to the Developer Project Budget and the Bloomingdales Project Budget, respectively, shall be promptly delivered to DPD by the Developer Parties or their general contractor. Only Change Orders described in Section 3.04 will be subject to DPD's approval.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted 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 to DPD for DPD's prior written approval, which approval shall be in DPD's sole discretion: (a) an increase or decrease in the square footage of the Bloomingdales Property of more than 13,000 square feet, as shown on the Bloomingdales Plans and Specifications, or in the Unit Building Project or the Tree Studios Project by more than 10% from the square footage indicated in the corresponding preliminary Plans and Specifications reviewed and approved by DPD; (b) a change in any of the required preservation work described in Exhibit D except for changes for which prior written approval is given by the Commission on Chicago Landmarks; (c) a change in the use of any portion of Property from the uses specified in Section 8.20; or (d) a delay in the completion of the Project of more than three months. The Developer Parties 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 Parties of DPD's written approval (to the extent required in this section). DPD shall approve or disapprove such Change Order within five (5) business days of DPD's written receipt of such Change Order. The Developer Construction Contract and the Bloomingdales Construction Contract, and each contract between such general contractors and any subcontractors, 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 Parties. DPD shall be notified in writing of all Change Orders not requiring DPD's approval and shall identify to DPD the source of funding therefor.

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

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer Parties' and Bloomingdales' obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Neither the Developer Parties nor Bloomingdales shall commence construction of the Developer Project or the Bloomingdales Project, as applicable, until it has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications and the Commission on Chicago Landmarks' approval with respect to the preservation work identified in Exhibit D)

and proof of the Developer General Contractor's, the Bloomingdales' General Contractor's and each subcontractor's bonding as specifically required under Section 6.03 of this Agreement. Notwithstanding the preceding sentence, the Developer Parties may, with the consent of the existing owner and upon receipt of any applicable permits, commence limited environmental remediation work that does not involve demolition work in unfinished areas of the Medinah Temple Building such as, for example, removal of asbestos pipe-wrap in basement areas. Such limited remediation right shall not include the removal of ceiling tiles or floor tiles, unless DPD agrees in writing that all necessary documentation of such areas has been completed. No such remediation work may in any instance alter or materially adversely affect any of the Exhibit D features.

Except as provided in the above paragraph, no demolition or other work shall commence until the Illinois Historic Preservation Agency shall have completed its review of the Project and provided written evidence of such completion.

DPD shall have the right to reasonably approve the restoration engineer, the historic preservation consultant (the City hereby approves Historic Certification Consultants) and the major subcontractors doing work on the preservation work identified in Exhibit D.

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

The Developer Parties shall provide DPD with copies of all draw request packages relating to the construction of the Developer Project. The Developer Parties shall also provide DPD's monitoring staff with monthly documentation including, without limitation, a current subcontractor's activity report, a contractor's certification concerning labor standards and prevailing wage requirements, a monthly MBE/WBE utilization report and certified payroll records. When construction of the Developer Project and the Bloomingdales Project is approximately 25%, 50%, 70% and 100% complete, the Developer Parties shall also provide DPD with reports summarizing the status of such parties' own MBE/WBE utilization, City resident hiring and the payment of prevailing wages, with a plan to address any shortfall, if necessary.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer Parties' architect, but which may be the inspecting agent or architect used by LaSalle Bank, N.A.) approved by DPD shall be selected to act as the inspecting agent or architect for the City, at the Developer Parties' expense, for the Project. The inspecting agent or architect shall perform weekly inspections with respect to the Project and prepare monthly status reports and provide certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder. DPD shall also have the right to review and approve or disapprove the completion of all work done with respect to the historically significant features listed in Exhibit D within fifteen (15) days of written notice from the Developer Parties.

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

3.10 Signs and Public Relations. The Developer Parties shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City and LaSalle Bank, N.A.. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Project in the City's promotional literature and communications. After its initial approval of the signage disclosed in the Developer Plans and Specifications and the Bloomingdales Plans and Specifications, signage shall be governed by the Planned Development requirements and any historic preservation requirements. No substantial change in the landscaping on the Property from that depicted in the Plans and Specifications approved by DPD shall occur during the Term of the Agreement without DPD's prior written consent. DPD shall approve or disapprove (with a brief written explanation given of any disapproval) such proposed change within ten (10) business days' of its receipt thereof. Failure to approve such proposed Change Order within such time period shall be deemed to be a disapproval.

3.11 Utility Connections. The Developer Parties and Bloomingdales 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 that such party(s) first comply 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 Parties and Bloomingdales 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, except that the Developer Parties and Bloomingdales shall hereby receive waivers of the following specific permit fees: (a) building permit fees; (b) electrical permit fee; (c) elevator permit fee; (d) wrecking permit fee; (e) fencing permit fee; and (f) CDOT driveway permit fee. The foregoing waiver shall not be construed to apply to sewer permit, connection and inspection fees, sewer sealing permit fees, water tap and termination of existing tap fees and CDOT street opening and use of public way fees or to other fees not specifically described in the preceding sentence.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds.

(a) Developer Project. The cost of the Developer Project is estimated to be Thirty-Eight Million and No/100 Dollars (\$38,000,000), to be applied in the manner set forth in the Developer Project Budget. Such costs shall initially be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$ 6,000,000
LaSalle Bank, N.A. Financing	19,500,000
Landlord Contribution	5,175,000
Bloomingdales Purchase Contribution	5,325,000
DCCA	2,000,000
ESTIMATED TOTAL	\$ 38,000,000

(b) Bloomingdales Project. The cost of the Bloomingdales Project is estimated to be Twenty-One Million One Hundred Eighteen Thousand Eight Hundred and No/100 Dollars (\$21,118,800), to be applied in the manner set forth in the Bloomingdales Project Budget. Such costs shall be funded from the following sources:

Bloomingdales Equity	\$ 21,118,000
ESTIMATED TOTAL	\$ 21,118,000

4.02 Developer Funds. Sources of funds described in Section 4.01 may be used to pay any Project cost, including but not limited to Redevelopment Project Cost and costs of TIF-Funded Improvements.

If one or more of the Developer Parties realize additional funds (either directly, in the form of cash equity, or indirectly, through receipt of tax credits or deductions) in connection with the grant of a preservation or conservation easement or claiming of historic tax credits with respect to the Unit Building Project or the Tree Studios Project or a portion thereof, such additional funds shall be treated as follows.

(a) Direct Funds Used to Repay Lender Financing. If LaSalle Bank, N.A. requires that such additional funds, or a portion thereof, be used to repay any indebtedness owed to it, then the principal amount of the Medinah Temple Note shall be reduced, retroactive to the Closing Date, by an amount equal to the product of (i) 0.3845 (7.5/19.5) times (ii) the amount of funds used to repay the LaSalle Bank, N.A. indebtedness.

(b) Direct Funds Not Used to Repay Lender Financing or Indirect Funds. If either (x) LaSalle Bank, N.A. does not require that such additional funds be used to repay any indebtedness owed to it, or only requires that a portion of such funds be used for such repayment, and in either case permits the Developer Parties to retain such additional funds, or (y) the Developer Parties realize a net economic benefit from a tax deduction related to a preservation, conservation or similar easement, then the Developer Parties shall be entitled to retain such additional funds and net economic benefit, subject to the next sentence. If, after first using such portion of such additional funds or portion of such net economic benefit as may be necessary to reimburse the Developer Parties for any incremental amounts by which (i) Developer Equity then exceeds \$6,000,000, (e.g., if Developer Equity was then \$6,500,00 and there were \$1,000,000 of additional tax credit funds available, the first \$500,000 would be returned to the Developer Parties), if any, and (ii) Developer Project costs have exceeded \$38,000,000 as a result of cost overruns for the Project (to the extent not previously reimbursed pursuant to clause (i)), if any, there still remain any additional funds or net economic benefit, such additional funds shall next be applied to (and, in the case of any net economic benefit, the Developer Parties shall) pay the City an amount equal to the Bloomingdales' fees waived pursuant to Section 3.12 hereof. After such payment, the Developer Parties shall be entitled to retain any remaining additional funds or net economic benefit.

The determination of the net economic benefit shall be made in good faith by the mutual agreement of the parties taking into account such factors as the tax rate of the person or parties' entitled to claim such deduction and the net tax savings realized by the claiming of such deduction.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Medinah Temple Owner and the Unit Building Owner for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit E sets forth the TIF-Funded Improvements for the Project and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Section 4.05(c)), contingent upon receipt by the City of satisfactory documentation evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to any Developer Party hereunder prior to the issuance of the Developer Certificate and the Bloomingdales Certificate.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Sections 5 and 8.05 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 Medinah Temple Owner and the Unit Building Owner for the costs of the TIF-Funded Improvements:

MEDINAH PROJECT TIF-FUNDED COSTS (MEDINAH TEMPLE NOTE)

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes	\$7,175,000*

UNIT BUILDING PROJECT TIF-FUNDED COSTS (UNIT BUILDING NOTE)

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes	\$5,325,000*

* Plus interest on the principal amount from time to time outstanding under the Medinah Temple Note and Unit Building Note, as applicable, at the Interest Rate, subject to the terms and conditions of this Agreement and such City Notes.

provided, however, that the total amount of City Funds expended as principal amounts evidenced by the Medinah Temple Note and the Unit Building Note for TIF-Funded Improvements shall be an amount not to exceed the lesser of Twelve Million Five Hundred Thousand and No/100 Dollars (\$12,500,000) or Thirty Two and 90/100 Percent (32.90%) of actual Developer Project costs, as acknowledged and approved by the City as the final Project Budget. Notwithstanding the foregoing, the amount determined pursuant to the preceding

sentence shall be increased by up to an additional Two Hundred Thousand and No/100 Dollars (\$200,000) in the event that one or more of the Developer Parties incurs costs in relocating tenants in the Tree Studios Building who are entitled to relocation assistance under the Act. Such increase shall be equal to the amount of such qualified relocation costs.

Furthermore, the City Funds to be derived from Incremental Taxes and/or TIF Bond proceeds, if any, 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 Ohio/Wabash TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements, if any.

The Developer Parties acknowledge and agree that the City's obligation to pay any City Funds is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above and Section 3.03(c). In the event that such conditions are not fulfilled, the amount of Equity or other sources of funds to be contributed by the Developer Parties pursuant to Section 4.01 hereof shall increase proportionately.

Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Sections 5 and 8.05 hereof, the City hereby agrees to issue the City Notes to the Medinah Temple Owner and the Unit Building Owner on the Closing Date. The principal amount of the City Notes shall be in an amount equal to the costs of the TIF-Funded Improvements attributable to the Medinah Temple Project or the Unit Building Project, as applicable, which have been incurred by such Developer Parties and are to be reimbursed by the City, subject to the provisions hereof. Payments under the City Notes are subject to the amount of Incremental Taxes deposited into the Ohio/Wabash Special Tax Allocation Fund being sufficient for such payments. Incremental Taxes shall be used to make payments on the City Notes on a pari passu basis based on the outstanding principal amount of each such note at the time of payment.

The City acknowledges and agrees that the applicable Developer Parties may pledge the City Notes to LaSalle Bank, N.A., as collateral for the Lender Financing.

(c) TIF Bonds. The Commissioner of DPD and the Chief Financial Officer agree that after the issuance of the Developer Certificate and the Bloomingdales Certificate, upon the request of the Developer Parties, or upon such officials' own action,

such officials will recommend, subject to the considerations hereinafter set forth, that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds, tax-exempt, if feasible, in an amount which, in the opinion of the Chief Financial Officer, is marketable under the then current market conditions and sufficient to pay off the LaSalle/Bloomington's Debt Amount; provided, however, that if, in the opinion of the Chief Financial Officer, after consultation with the Developer Parties and a third party knowledgeable in the marketing of municipal securities, there is an insufficient market for such TIF Bonds, or TIF Bonds could not be issued in an amount equal to or greater than the LaSalle/Bloomington's Debt Amount, or such TIF Bonds would bear interest at a rate higher than the Interest Rate, or the City's financial advisor, if any, or the proposed underwriter(s) determine that the market would require reserve accounts or debt service coverage levels higher than generally established and experienced by the City for municipal revenue obligations such as the TIF Bonds, or if the issuance of such TIF Bonds would adversely affect the City's bond rating or in any other material way adversely affect City finances, such officials will not be required to (but may, in such officials' discretion) recommend approval of such ordinance(s).

Subject to the foregoing, the Commissioner and Chief Financial Officer shall use commercially reasonable efforts to have TIF Bonds issued within thirty-six (36) months of the date hereof, subject to the prior issuance of both the Developer Certificate and the Bloomington Certificate. The Developer Parties will cooperate with the City in the issuance of TIF Bonds, as provided in Section 8.05 hereof.

Prior to the submission of any such ordinance for approval by the City Council, the City shall consider whether the amount of TIF Bond proceeds will be sufficient to pay the costs of issuing such TIF Bonds, including, but not limited to, bond counsel fees, underwriters' and underwriters' counsel fees and consultants' fees; otherwise, the Developer Parties shall agree to pay as necessary such issuance costs and shall identify its source of funding with respect thereto.

If TIF Bonds are issued, the TIF Bond proceeds shall be applied in the following order of priority:

- (i) To the costs of issuing the TIF Bonds, including any reasonable costs related to credit enhancements for such TIF Bonds;
- (ii) To prepay and refund the City Notes on a pari passu basis, first to be applied to pay the unpaid accrued interest on the City Notes, and then to be applied to pay the unpaid principal on the City Notes.

In connection with any issuance of TIF Bonds, the Medinah Temple Owner and the Unit Building Owner will redeliver their respective City Notes, which will be canceled. If the net TIF Bonds proceeds are anticipated to be insufficient to pay in full the unpaid principal on the City Notes, then DPD will seek City Council approval (and seek to include requisite authority in the TIF Bond Documents) for the City's issuance of a new tax increment revenue obligation to the Medinah Temple Owner (the "Medinah Shortfall Note") and to the Unit Building Owner (the "Unit Building Shortfall Note"). Such notes shall be junior or subordinate lien obligations payable on a pari passu basis only out of annual excess Incremental Taxes available in the general account of the incremental taxes fund established under the indenture for the TIF Bonds. Each such note shall have an initial principal balance equal to the lesser of (a) the amount of principal outstanding under the corresponding predecessor City Note at the time it was canceled, or (b) such lesser amount as may be projected by the Incremental Taxes that are not pledged or otherwise required under the terms of the TIF Bond Documents for debt service on the TIF Bonds, funding of required reserves and payment of other costs due under the TIF Bond documents. The Medinah Shortfall Note and the Unit Building Shortfall Note shall bear interest at the rate of ten percent (10%) per annum, compounded annually. In the event that the initial principal balance of the Medinah Shortfall Note and the Unit Building Shortfall Note is less than the amount of principal outstanding under the corresponding predecessor City Note at the time such City Note was canceled, then, if approved by City Council and permitted under the TIF Bond Documents, the Medinah Temple Owner and/or Unit Building Owner will be entitled to receive any Incremental Taxes not pledged or reserved in various funds and accounts under the TIF Bond Documents on a "pay-as-you-go" basis until such owner has received an amount equal to such shortfall.

In addition, if at the time of the issuance of the TIF Bond Documents, the Developer Equity exceeds \$6,000,000, DPD will seek City Council approval (and seek to include requisite authority in the TIF Bond Documents) for the City to (x) pay a portion of any remaining TIF Bond Proceeds, if any, to the Developer Parties in reimbursement of the amount by which Developer Equity exceeds \$6,000,000, and (y) if no TIF Bond Proceeds remain, or if such proceeds are insufficient to fully reimburse the Developer Parties for such excess amount, the issuance of a tax increment revenue obligation payable to one or more of the Developer Parties (the "Developer Equity Note"). Such note shall have an initial principal balance equal to the positive difference between (a) the amount of the then-existing Developer Equity (after taking into account any reimbursements made from any TIF Bond Proceeds), and (b) \$6,000,000, or such lesser principal amount as may be supported by the Incremental Taxes that are not pledged or otherwise required under the terms of the TIF Bond Documents for debt service on the TIF Bonds, funding of required

reserves and payment of other costs due under the TIF Bond documents and, if applicable, required to make payments due pursuant to the obligations described in the preceding paragraph, to all of which the Developer Equity Note will be subordinate in lien and payment. The Developer Parties acknowledge that such amount may be zero. If issued, the Developer Equity Note shall bear interest at the rate of ten percent (10%) per annum, compounded annually.

4.04 Requisition Form. After the conditions precedent in Section 5.18 have been satisfied and prior to each October 1 (or such other date as the parties may agree to) and thereafter until the earlier of (i) the Term of the Agreement, (ii) the date that the Developer Parties have been reimbursed in full under this Agreement, or (iii) the date the Developer Parties' right to reimbursement under this Agreement is terminated (after expiration of any applicable notice and cure periods), the Developer Parties shall provide DPD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar quarter (or as otherwise permitted by DPD). On each December 1 (or such other date as may be acceptable to the parties), the Developer Parties shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered. All City Funds paid pursuant to a Requisition Form shall be used to pay principal and interest costs on the City Notes.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) Purchase of Property. A portion of the purchase price of the Property, exclusive of transaction costs, in an amount not to exceed \$12,500,000, shall be recognized as a Prior Expenditure on the Closing Date as a TIF-Funded Improvement.

(c) City Fee. [INTENTIONALLY DELETED]

(d) 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. In addition, no transfers may be made between the TIF-Funded Improvements for the Medinah Project and the TIF-Funded Improvements for the Unit Building Project without the prior written consent of DPD.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Developer Project exceeds the Developer Project Budget, or if the cost of completing the Bloomingdales Project exceeds the Bloomingdales Project Budget, the Developer Parties or Bloomingdales, as applicable, shall be solely responsible for such excess costs applicable only to such party's project, and each shall hold the City harmless from any and all costs and expenses of completing such party's portion, if any, of the TIF-Funded Improvements, the Developer Project and the Bloomingdales Project, as applicable.

4.07 Execution of Certificate of Expenditure. Prior to each execution of a Certificate of Expenditure by the City, the Medinah Temple Owner or Unit Building Owner, as applicable, shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Such submittal of any request for execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such submission that:

(a) the total amount of the request for Certificate of Expenditure represents the actual acquisition costs or the actual amount payable to (or paid to) the Developer General Contractor and/or subcontractors who have performed work on the Medinah Project or the Unit Building Project, and/or their payees;

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

(c) the Developer Party making such request has approved all work and materials for the current request for Certificate of Expenditure, and such work and materials conform to the Developer Plans and Specifications;

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

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

(f) no Developer Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute a Developer Event of Default exists or has occurred;

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

(h) the Developer Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Developer Project costs incurred or to be incurred in the completion of the Developer Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed Lender Financing, if any; (ii) the undisbursed Equity, (iii) the undisbursed Bloomingdales Purchase Contribution, if any; (iv) the undisbursed DCCA funds, if any; and (v) any other amounts deposited by the Developer Parties pursuant to this Agreement. The Developer Parties hereby agree that, if the Developer Project is not In Balance, the Developer Parties shall, within 30 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 Developer Project In Balance.

The City shall have the right, in its discretion, to require the Developer Parties 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 execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer Parties. In addition, the Developer Parties shall have satisfied all other preconditions of execution of a Certificate of Expenditure, including but not limited to requirements set forth in the TIF Bond Ordinance, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer Parties' compliance with the provisions of this Agreement and Bloomingdales' compliance with the provisions of the Limited Joinder. The City Funds are subject to being reimbursed as provided in Section 15 hereto.

4.09 Costs of Issuance. All costs associated with the issuance of any tax-exempt note or any TIF Bonds shall be borne by the Developer Parties, including, without limitation, the costs of any legal opinions required in connection therewith.

SECTION 5. CONDITIONS PRECEDENT

The conditions precedent in Sections 5.01 through Section 5.17 shall be complied with to the City's satisfaction not less than five (5) business days prior to the Closing Date:

5.01 Project Budget. The Developer Parties and Bloomingdales shall have submitted to DPD, and DPD shall have approved, the Developer Project Budget and the Bloomingdales Project Budget, respectively, in accordance with the provisions of Section 3.03 hereof, and a construction schedule setting forth a timeline for completion of the Developer Project, and its various components, and the Bloomingdales Project.

5.02 Scope Drawings and Plans and Specifications. The Developer Parties and Bloomingdales each shall have submitted to DPD, and DPD shall have approved, the Developer Scope Drawings and Developer Plans and Specifications and the Bloomingdales Scope Drawings and the Bloomingdales Plans and Specifications, respectively, in accordance with the provisions of Section 3.02 hereof. If final Plans and Specifications are not yet available, the City may agree to close the transaction upon DPD's approval of such preliminary plans and specifications as may be acceptable to DPD.

5.03 Landmark Designation and Other Governmental Approvals. Unless waived by DPD, the Developer Parties and Bloomingdales each shall have secured such permits and approvals with respect to such party's project as are necessary to commence the environmental abatement, demolition and foundation work. No permits subject to the approval of DPD's Landmark's Division will be issued until (a) DPD's Landmark's Division has received written evidence that the Illinois Historic Preservation Agency has completed its review of the Project, and (b) preliminary landmark recommendation has been made by the Commission on Chicago Landmarks with respect to the Project structures. The Developer Parties may apply for and process all other approvals required for such permits, subject to DPD Landmarks Division's final approval upon the satisfaction of conditions (a) and (b). In addition, the Developer Parties shall have executed and filed such customary consent(s) and/or applications as may be necessary to have the entire block including the Medinah Temple Building, the Tree Studios Building and annexes, the Unit Building and the courtyard designated a City of Chicago Landmark.

5.04 Financing. The Developer Parties shall have furnished proof reasonably acceptable to the City that the Developer Parties have Equity, Lender Financing, the Bloomingdales Purchase Contribution and DCCA funds in the amounts set forth in Section 4.01 hereof to complete the Developer Project and satisfy their obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer Parties shall have furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer Parties as needed and are sufficient (along with the sources set forth in Section 4.01) to complete the Developer Project. The Developer Parties shall have delivered to DPD a copy of the form of construction escrow agreement to be entered into by the Developer Parties regarding the Lender Financing. Any liens against the Property in existence at the Closing Date will, on the Closing Date, be subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in the form attached hereto as Exhibit O, which will be recorded on the Closing Date at the expense of the Developer Parties with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. The Developer Parties shall have furnished the City with title commitments for the Title Policies (with copies of such Title Policies to be delivered on the Closing Date), certified by the Title Company, showing the Medinah Temple Owner, the Unit Building Owner, the Tree Studios Owner and Bloomingdales as the named insureds as to their respective properties. The Title Policies will be dated as of the Closing Date and contain only those title exceptions listed as Permitted Liens on Exhibit N hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policies shall also contain such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning, contiguity, location, access and survey. The Developer Parties shall have provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policies and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer Parties, at their own expense, shall have provided the City with searches under the Developer Parties' names, and under the names of Albert M. Friedman and any Ten Percent Owner as follows:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax search

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

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

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

5.08 Insurance. The Developer Parties and Bloomingdales, at their own expense, shall have insured their respective portions of the Property in accordance with Section 12 hereof, and delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09 Opinion of Counsel. The Developer Parties and Bloomingdales shall have furnished the City with the form of opinion of counsel (with the original opinions to be delivered on the Closing Date), substantially in the form attached hereto as Exhibit R, with such changes as required by or acceptable to Corporation Counsel.

5.10 Evidence of Prior Expenditures. The Developer Parties and Bloomingdales shall have provided evidence satisfactory to DPD of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. The Developer Parties shall have provided Financial Statements to DPD for their most recent fiscal year, and audited or unaudited interim financial statements.

5.12 Documentation. The Developer Parties, with respect to the Developer Project, and Bloomingdales, with respect to the Bloomingdales Project, shall have provided satisfactory documentation to DPD with respect to their ability to satisfy MBE/WBE and City resident current employment standards. Such evidence shall include, without limitation: an MBE/WBE Utilization Plan, including Schedules C and D; evidence that their respective general contractors have met at least once with, and provided bid documents to, applicable MBE/WBE contractor associations; and evidence of meeting with DPD's monitoring staff.

5.13 Environmental. The Developer Parties shall have provided DPD with copies of a phase I environmental audit completed with respect to the Property (and, if applicable, any phase II environmental audit with respect to the Property that

has been prepared) and a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audit(s).

5.14 Corporate Documents; Economic Disclosure Statement. The Developer Parties and Bloomingdales shall have provided copies of their Articles of Incorporation or Articles of Organization, as applicable, containing the original certification of the Secretary of State of Illinois or Ohio, as the case may be; certificates of good standing or existence from the Secretary of State of Illinois; a secretary's or managing member's certificate in such form and substance as the Corporation Counsel may require; by-laws or an operating agreement, as applicable; and such resolutions or consents and other corporate and limited liability company documentation as the City may reasonably request. The Developer Parties shall also have 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 Parties shall have provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer Parties and Albert M. Friedman specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

5.16 Bloomingdales Lease. A complete copy of the Bloomingdales Lease, the final form and substance of which shall be acceptable to the Commissioner of DPD, and all other written agreements between the Developer Parties and Bloomingdales in any way relating to the Medinah Temple Property or Bloomingdales Property, jointly certified by the Developer Parties and Bloomingdales, shall have been delivered to the City.

5.17 Payment and Performance Bonds. The Developer Parties shall have delivered to the City a copy of payment and performance bonds relating to the Medinah Temple Project, if, and only if, such bonds are required by the lender providing the Lender Financing. The City shall be named as an obligee or co-obligee on such bonds, if any.

5.18 Conditions Precedent to Initial Payment of City Funds.

(a) The conditions in this Section 5.18 shall be satisfied prior to the City's initial obligation to make any payments with respect to the City Notes:

(i) the City shall have issued the Developer Certificate and the Bloomingdales Certificate;

(ii) the City shall have determined that both the Developer Parties and Bloomingdales have satisfied the MBE/WBE requirements applicable to the Developer Project and the Bloomingdales Project, respectively, provided, however, that if Bloomingdales falls short of its 25%/5% MBE/WBE requirement and the Developer Parties' exceed their 25%/5% MBE/WBE requirement by an amount in excess of Bloomingdales' shortfall, such that when the Bloomingdales MBE/WBE Project Budget and Developer Parties MBE/WBE Project Budgets are tested in the aggregate, the 25%/5% requirement is satisfied, such condition precedent shall be deemed satisfied;

(iii) the City shall have determined that the Developer Parties and Bloomingdales have satisfied the City resident hiring and prevailing wage requirements applicable to the Developer Project and the Bloomingdales Building Project, respectively, or, if such requirements were not satisfied, the City shall have been paid all amounts due under Section 10.02;

(iv) Bloomingdales shall have commenced operations at the Bloomingdales Property and shall employ at least 85 FTEs on the Opening Date; and

(v) the Developer Parties shall have provided the City with current title, survey, due diligence search and insurance evidence consistent with the requirements of Sections 5.05, 5.06, 5.07 and 5.08 (except the Survey shall be an "as-built" survey of the Building and Property).

(b) If after the execution of this Agreement and the Limited Joinder, either the Medinah Temple Owner or Bloomingdales terminates the Bloomingdales Lease pursuant to any right granted thereunder prior to the issuance of the Developer Certificate and the Bloomingdales Certificate, and regardless of whether such termination is based on an event that would or could constitute a Developer Event of Default or a Bloomingdales Event of Default under this Agreement, this Agreement and the Limited Joinder shall terminate, and no City Funds will ever be paid pursuant to this Agreement, unless a lease with an Approved Tenant is executed and such Approved Tenant occupies the Bloomingdales Property within 12 months of such lease termination.

5.19 Conditions Precedent to Any Payment of City Funds.
Prior to each disbursement of City Funds pursuant to any City Note, the Medinah Temple Owner and/or the Unit Building Owner shall submit a Requisition Form to DPD. Delivery of a Requisition Form shall, in addition to the certifications

contained therein, constitute a certification to the City by the Developer Parties, as of the date of such Requisition Form, that:

(a) the total amount of the reimbursement request represents payment to the delivering party for (i) principal and/or interest payable with respect to Medinah Temple Note or the Unit Building Note, as applicable;

(b) the representations and warranties contained in this Agreement and/or the Limited Joinder made by the Developer Parties are true and correct and the Developer Parties are in material compliance with all of their covenants contained therein; and

(c) no Developer Event of Default or Bloomingdales Event of Default exists under this Agreement and no condition or event which, with the giving of notice or passage of time or both, would constitute such a Developer Event of Default or Bloomingdales Event of Default exists or has occurred.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) DPD has approved the selection of W.E. O'Neil as the General Contractor hired by Bloomingdales for the Bloomingdales Project. Except as set forth in the preceding sentence or in Section 6.01(b) below, and except with respect to work to be performed by Courthouse Development, Inc. or River North Management, Inc., prior to entering into an agreement with a general contractor or any subcontractor for construction of the Developer Project, the Developer Parties shall solicit, or shall cause the general contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall upon DPD's request submit all bids received to DPD for its inspection. For Project work other than the TIF-Funded Improvements, if the Developer Parties select a general contractor (or the general contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible and responsive bid, as determined by the Developer Parties and/or the general contractor, and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer Parties shall ensure that their respective general contractors (and such general contractors' subcontractors) do not begin work on the Project until all

applicable Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a general contractor for construction of any portion of the Project, the Developer Parties do not solicit bids pursuant to Section 6.01(a) hereof, then the fee of the applicable general contractor, plus general conditions, shall not exceed 10% of the total amount of such construction contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the general contractor shall solicit bids from all subcontractors.

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

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer Parties 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 S hereto. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. The Developer Parties shall contractually obligate and cause their respective general contractors and each subcontractor to agree to the provisions of Section 10 hereof.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Developer Construction Contract and the Bloomington 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 the execution thereof.

SECTION 7. COMPLETION OF REHABILITATION

7.01 Certificate of Completion of Rehabilitation.

(a) Developer Certificate. Upon completion of the rehabilitation of the Developer Project in accordance with the terms of this Agreement, including, without limitation, the requirements of Exhibit D, as evidenced by the City's issuance of all necessary certificates of occupancy, and upon the Developer Parties' written request, DPD shall issue to the Developer Parties a Certificate in recordable form certifying that the Developer Parties have completed the physical rehabilitation work associated with the Developer Project, including, without limitation, the requirements of Exhibit D, in accordance with the terms of this Agreement.

(b) Bloomington Certificate. Upon completion of the rehabilitation of the Bloomington Project in accordance with the terms of this Agreement, including, without limitation, the requirements of Exhibit D, as evidenced by the City's issuance of all necessary certificates of occupancy and the occurrence of the Opening Date, and upon Bloomington written request, DPD shall issue to Bloomington a Certificate in recordable form certifying that Bloomington has completed the physical rehabilitation work associated with the Bloomington Project, including, without limitation, the requirements of Exhibit D, in accordance with the terms of this Agreement.

(c) Right to Resubmit. DPD shall respond to the Developer Parties' or Bloomington 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 Developer Project or the Bloomington Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken in order to obtain the applicable certificate. The Developer Parties and/or Bloomington may resubmit a written request for a certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The certificates relate only to the rehabilitation work associated with the Project, and upon their issuance, the City will certify that the terms of the Agreement specifically related to the Developer Parties' or Bloomington's obligation to complete such activities, as applicable, have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and the Limited Joinder and all representations and covenants contained herein and in the Limited Joinder unrelated to such rehabilitation work will continue to remain in full force and effect throughout the Term of the Agreement, or such other period as may be expressly provided for herein or in the Limited Joinder. 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.

(a) Developer Continuing Requirements. The covenants set forth in Sections 8.01(j), (k) and (l), 8.02, 8.19, 8.20, 8.21, 8.22 and 8.24 shall be covenants that run with the Property (or such portion thereof as may be burdened by such covenant) and shall be binding upon any transferee of the Property, or any portion thereof (including an assignee as described in the following sentence) until the TIF Expiration Date, or, in the case of the covenants in Sections 8.01(j), (k) and (l) and 8.02, the shorter period specified therein. The other executory terms of this Agreement applicable to the Developer Parties that remain after the issuance of a Developer Certificate and do not run with the land shall be binding only upon the Developer Parties or a permitted assignee of the Developer Parties who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer Parties' rights under this Agreement.

(b) Bloomington Continuing Requirements. The covenants set forth in Sections 3(h), 3(t), 4, and 5 of the Limited Joinder shall be covenants that run with the Bloomington Property shall be binding upon any transferee of the Bloomington Property, or any portion thereof (including an assignee as described in the following sentence) until the TIF Expiration Date, or, in the case of the covenants specified in Sections 3(h) and 4 of the Limited Joinder, the shorter period specified therein. The other executory terms of this Agreement and the Limited Joinder applicable to Bloomington that remain after the issuance of a Bloomington Certificate that do not run with the land shall be binding only upon Bloomington or its Successor.

7.03 Failure to Complete. If either (a) the Developer Parties fail to complete the Developer Project, or (b) Bloomington fails to complete the Bloomington Project, or (c) either the Developer Parties or Bloomington permit an unpermitted lien to exist and such lien is foreclosed or otherwise enforced in such a manner as to terminate the encumbrance of this Agreement or lessen the priority thereof, then the City will have, but shall not be limited to, any of the following rights and remedies:

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

(ii) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs), if any, out of City Funds or other City monies. In the

event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, the Developer Parties shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer Parties and Bloomingdales, upon written request, with a written notice in recordable form stating that the Term of the Agreement has expired and that the Property is no longer subject to the covenants that run with the land, provided, however, that the City's failure to issue such notice when required shall not be a condition precedent to the expiration of the Term of the Agreement.

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

Each Developer Party represents, warrants and covenants, as of the date of this Agreement, and through the Term of the Agreement (unless a different period is expressly provided for in this Section 8) that:

8.01 General.

(a) it is an Illinois corporation or limited liability company, as applicable, duly organized, validly existing, qualified to do business in the State of 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) it has the right, power and authority to enter into, execute, deliver and perform this Agreement;

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, it shall acquire and shall maintain good, indefeasible and merchantable fee simple title to

the portion of the Property it owns, as described in Recital D free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and refinancings of such financing after the issuance of a Developer Certificate, and non-governmental charges that it is contesting in good faith pursuant to Section 8.15 hereof);

(e) it is now and 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 it which would impair its ability to perform under this Agreement;

(g) it has or will obtain and thereafter 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 portion of the Project that it will own and operate;

(h) it 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 it is a party or by which it 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 its assets, liabilities, results of operations and financial condition and there has been no material adverse change in its assets, liabilities, results of operations or financial condition since the date of its most recent Financial Statements;

(j) prior to the Fifth Anniversary Date, it shall not do any of the following without the prior written consent of DPD, which consent shall be in the Commissioner's sole discretion, : (i) be a party to any merger, liquidation or consolidation; (ii) sell, Transfer (except Permitted Transfers), convey, lease (except pursuant to the Bloomingdales Lease or other leases approved or expressly deemed approved by DPD, as provided herein) or otherwise dispose of all or substantially all of its assets or any portion of the Property; (iii) enter into any transaction outside the ordinary course of its business; (iv) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (v) enter into any transaction that would cause a material and detrimental change its financial condition;

(k) subject to the Developer Parties' contest rights under Section 8.15, it has not incurred, and, prior to the issuance of a Developer Certificate, shall not, without the prior written

consent of the Commissioner of DPD, allow the existence of any liens against the Property, or any portions thereof (or improvements thereon) other than the Permitted Liens or equipment financing liens and purchase money security interests in personal property located on the Property, 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;

(l) after the Fifth Anniversary Date, it may Transfer the Developer Project, or one or more the Medinah Temple Property, the Tree Studios Building, or the Unit Building, without the prior written consent of the Commissioner of DPD, provided that (i) the applicable Developer Parties give the City prior written notice of such Transfer by delivering a Notice of Proposed Transfer in the form of Exhibit M attached hereto (provided that if the Approved Purchaser is Bloomingdales, Federated Department Stores, Inc., or any Successor of either, or any Affiliate of any of them, Schedule 2 to Exhibit M shall not be required), and (ii) the transferee is an Approved Purchaser, or such other person or entity as shall be acceptable to the Commissioner of DPD, in the Commissioner's reasonable discretion. Such Transfer rights shall include submitting one or more of the three Project buildings, in such building's entirety, to the Illinois Condominium Property Act, but shall not permit the creation of individual condominium units within any such building; and

(m) it 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 it or its owners (or Affiliates of such owners) in violation of Chapter 2-156-120 of the Municipal Code of the City.

8.02 Covenant to Redevelop. Upon DPD's approval of the Developer Project Budget, the Developer Scope Drawings and Developer Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and receipt of all required building permits and governmental approvals, the Developer Parties shall redevelop the Developer Project in accordance with such documents and this Agreement and all Exhibits attached hereto, the TIF Ordinances, the TIF Bond Ordinance, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Developer Project, the Developer Property and/or the Developer Parties. Without limiting the generality of the foregoing, the Developer Parties and Bloomingdales, as applicable, will execute and file such customary consent(s) and/or applications as may be necessary to have the entire block including the Medinah Temple, the Tree Studios Building and annexes, the Unit Building (as a non-contributing feature) and

the courtyard and the interior features identified in Exhibit D designated a City of Chicago Landmark. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Developer Certificate.

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

8.04 Use of City Funds. City Funds disbursed to the Medinah Temple Owner and the Unit Building Owner shall be used solely to pay for (or to reimburse such parties for the cost of) the TIF-Funded Improvements as provided in this Agreement.

8.05 TIF Bonds. The Developer Parties 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 the TIF Bonds or any bonds in connection with the Redevelopment Area, the proceeds of which may be used as described in Section 4.03(c). No such amendments shall have a material adverse effect on the Developer Parties or the Project. Prepayment of the City Notes shall in no instance be deemed a material adverse effect. The Developer Parties shall, at the Developer Parties' expense, cooperate and provide reasonable assistance in connection with the marketing of any such TIF Bonds or other bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding the Developer Parties' financial condition and assisting the City in preparing an offering statement with respect thereto.

[SECTION 8.06 INTENTIONALLY DELETED]

8.07 Employment Opportunity; Progress Reports. The Developer Parties shall 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 Parties 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 Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Developer Project Budget). If any such reports indicate a shortfall in compliance, the Developer Parties shall also deliver a plan to DPD which shall outline, to DPD's reasonable satisfaction, the manner in which the Developer Parties shall correct any shortfall.

8.08 Employment Profile. The Developer Parties shall submit, and contractually obligate and cause the Developer General Contractor or any subcontractor to submit to DPD, from

time to time, statements of the Developer Parties' employment profile upon DPD's request.

8.09 Prevailing Wage. The Developer Parties covenant and agree to pay, and to contractually obligate and cause the Developer General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer Parties shall provide the City with copies of all such contracts entered into by the Developer Parties or the Developer 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, and except with respect to work to be performed by Courthouse Development, Inc. or River North Management, Inc., no Affiliate of the Developer Parties 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 Parties shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer Parties and reimbursement to the Developer Parties for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer Parties represent, warrant and covenant that, to the best of their 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 Parties 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 Parties' business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. The Developer Parties' counsel has no direct or indirect financial ownership interest in the Developer Parties, the Property or any other aspect of the Project, except for such ownership interests as may be disclosed to and approved in writing by DPD after the Closing Date.

8.13 Financial Statements. The Developer Parties shall obtain and provide to DPD Financial Statements for their fiscal year ended 12/31/2001 and each YEAR thereafter for the Term of the Agreement. In addition, the Developer Parties 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 Parties, at their 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 Parties agree to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, it may be paid together with any accrued interest thereon in installments as it becomes due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer Parties 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 Parties have the right, before any delinquency occurs:

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

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

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

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

8.18 Recording and Filing. The Developer Parties 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 Parties shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer Parties shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer Parties agree to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer Parties, the Property or the Project, or become due and payable, and which create, may create, a lien upon the Developer Parties or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to

the Developer Parties, the Property or the Project including but not limited to real estate taxes.

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

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

(ii) the Developer Parties 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 Parties fail to pay any Governmental Charge or to obtain discharge of the same, the Developer Parties 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 Parties 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 Parties. 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 Parties fail to pay any Governmental Charge, the City, in its sole discretion, may require the Developer Parties to submit to the City audited Financial Statements at the Developer Parties' own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer Parties agree that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Project that is necessary to support the debt service indicated ("Minimum Assessed Value") is shown on Exhibit T attached hereto and incorporated herein by reference for the years noted on Exhibit T; and (B) the real estate taxes anticipated to be generated and derived from the respective portions of the Project for the years shown are fairly and accurately indicated in Exhibit T.

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

(iii) No Reduction in Real Estate Taxes. Neither the Developer Parties nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer Parties shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Project below the amount of the Minimum Assessed Value as shown in Exhibit T for the applicable year.

(iv) No Objections. Neither the Developer Parties nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer Parties, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the

assessed value of the Project up to (but not above) the Minimum Assessed Value as shown in Exhibit T.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by the Developer Parties as a memorandum thereof, at the Developer Parties' expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer Parties and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, through the TIF Expiration Date. The Developer Parties agree that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer Parties, their successors or assigns, may waive and terminate the Developer Parties's covenants and agreements set forth in this Section 8.19(c), including, without limitation, in connection with the issuance of TIF Bonds (and will so waive and terminate such covenants and agreements if tax-exempt TIF Bonds are issued and such covenants and agreements would jeopardize the tax-exempt status of such TIF Bonds, as determined by bond counsel).

8.20 Use and Leasing Covenants. With respect to the buildings comprising the Project, at all times prior to the TIF Expiration Date (or the ten (10) and thirty (30) year periods expressly provided for in Section 8.20(c)):

(a) Medinah Temple Building. The Medinah Temple Building shall on the Opening Date be used for a Bloomingdales home furnishings store, may only be used for purposes permitted under the Planned Development and, if not occupied by Bloomingdales, may only be relet and reoccupied to an Approved Tenant.

(b) Unit Building. The Unit Building and the units therein shall be operated as a rental property.

(c) Tree Studios Building. The units on the ground and basement levels of the Tree Studios Building (excluding the annexes) shall be: (i) operated as a commercial rental property; (ii) leased solely to Approved Tenants; and (iii) leased to no fewer than 4 retail tenants, whose operations may not include any of the following uses:

Currency exchange or "payday" loan office;
 Offices (business and professional) (except minor use
 incidental to a retail use);
 Auto accessory stores;
 Employment agencies;
 Laundries and laundrettes;
 Plumbing showroom and shops;
 Pawn shops;
 Tattoo parlors;
 Astrology, card-reading, palm-reading or fortune telling, in
 any form
 Payday loan stores;
 Inter-track wagering facilities;
 Liquor store (except a wine shop shall be permitted);
 Storage (except minor use incidental to a retail use) or
 warehouse facilities; or
 Fast Food Restaurants (as defined in Section 2).

The Developer Parties shall use commercially reasonable efforts
 to include local Chicago businesses and Arts-Related Businesses.
 Leasing of ground level space to a florist shop is also
 encouraged as a means of maintaining the courtyard.

At all times prior to the thirtieth (30th) anniversary of
 the City's issuance of a Developer Certificate, the units on the
 second and third levels of the Tree Studios Building (excluding
 the annexes) shall be: (i) operated as a rental property; (ii)
 leased solely to Approved Tenants; and (iii) leased solely for
 Artist work space, or classroom studios or Arts-Related
 Businesses. In addition, at all times prior to the tenth (10th)
 anniversary of the City's issuance of a Developer Certificate, at
 least 9 units, comprising not less than 25% of the net rentable
 square footage of such second and third floor space, or such
 lesser net rentable square footage or such lesser number of units
 as may be consented to by the Commissioner of DPD, in the
 Commissioner's sole discretion, shall be leased to Artists at
 Below Market Rents. In connection with the initial leasing and
 each reletting of any of such Artist units, if the Tree Studios
 Owner is unable to identify an Artist or Artists to lease any
 Below Market Rent unit(s), the Tree Studios Owner shall give
 written notice to DPD and the Department of Cultural Affairs of
 such inability. The Tree Studios Owner and the Department of
 Cultural Affairs shall then, for a 60 day period following
 delivery of such notice, cooperate in identifying an Artist or
 Artists qualified to lease such Below Market Rent unit(s). If,
 after such 60 day period, no qualified Artist has been
 identified, the Developer Parties may lease the Below Market Rent
 unit at the then applicable Below Market Rent to an Arts-Related
 Business. Upon each reletting of such unit, the Developer
 Parties shall again be required to first attempt to lease such
 Unit to an Artist in accordance with the above procedures.

DPD will enlist the assistance of the Artist Advisory Committee in screening and maintaining applications of prospective tenants for the Tree Studios units that are to be leased at Below Market Rents. The Artist Advisory Committee shall also consult with the Developer Parties during the initial design phase as to the lay-out of space for the Below Market Rent units reserved for Artists.

The Tree Studios annexes and the units therein shall be: (i) operated as a rental property; (ii) leased solely to Approved Tenants; (iii) leased solely for Artist work space, classroom studios, general retail purposes (subject to the same use limitations applicable to grade level and basement space described in the first paragraph of this Section 8.20(c)) or Artist live-work space, in which case, to the greatest extent reasonably possible, but subject to the economic viability of the Project, up to 20% of such live-work units should be leased at an Affordable Rent to a Low-Income Family (as such terms are defined in subparagraph (d) below) that includes an Artist.

(d) Definitions. As used in Section 8.20(c), the following terms has the following meanings:

(i) "Affordable Rent" shall mean a monthly rent not in excess of thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income;

(ii) "Family" shall mean one or more individuals, whether or not related by blood or marriage; and

(iii) "Low Income Family" shall mean a Family whose annual income does not exceed eighty percent (80%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

(e) General Guidelines. In its initial leasing of the renovated Tree Studios Building units on the second and third levels that are to be leased to Artists at Below Market Rents, the Developer Parties shall give first consideration to Artists located at the Tree Studios Building or Tree Studios Annexes as of May 4, 2000 (the date of the Redevelopment Plan) who are not

in default under their current leases. In addition, in leasing any units at the Tree Studios Building, Artists who would use the units for working studio space shall be given preference in leasing decisions over Arts-Related Businesses provided such Artists are of a comparable creditworthiness. Not more than 50% of the square footage in the Tree Studios Building and the Tree Studios annexes may be leased to tenants having the asterisked uses indicated on Exhibit G.

8.21 Public Benefits; Exterior Improvements. At all times through the TIF Expiration Date, the Developer Parties shall provide the public benefits listed on Exhibit U.

Any exterior improvements made in connection with the Project on real property adjacent to the Project buildings shall be made in accordance with the specifications stipulated in the City's Lighting Master Plan for light standards and fixtures and spacing of such improvements and in accordance with Chicago Department of Transportation Standards for sidewalk materials, trees and grate and/or planters and vault repairs. Where reasonably practicable, such landscaping shall include hanging baskets from light poles and either trees or planters along North Wabash Avenue. With respect to hanging baskets and planters, seasonal plantings shall be made four times a year. All landscaping shall be maintained in a manner consistent in all material respects with first class commercial developments.

8.22 Preservation Work. The Developer Parties shall not demolish, remove or materially modify any portion of the historically significant exterior and interior architectural features described in Exhibit D hereto through the TIF Expiration Date, except as required, if at all, by the Americans With Disabilities Act of 1990, applicable building codes or other applicable federal, state and municipal laws and ordinances. All such features shall be well-maintained through the TIF Expiration Date.

Although the atrium space depicted in the drawings prepared by Daniel P. Coffey & Associates referenced in Exhibit D will not be designated as a historically significant architectural feature, the owner of the Bloomingdales Property shall maintain such atrium for so long as the Bloomingdales Property is subject to a single user requirement. After the expiration of such single user requirement, in the event that the owner of the Bloomingdales Property intends to convert the Bloomingdales Property to a multiple use facility, such owner shall use commercially reasonable efforts to preserve such atrium space in such proposed multiple use facility. However, if such owner reasonably establishes to the Commissioner of DPD that it cannot convert or redevelop the Bloomingdales Property into a multiple use facility in a commercially reasonable manner and maintain such atrium space, such owner, with the prior written consent of

the Commissioner of DPD, which consent shall not be unreasonably withheld or delayed, may take such actions as may be necessary to redevelop such space for a multiple use facility.

8.23 Relocation Assistance. The Developer Parties shall cooperate with DPD in providing any residents of the Tree Studios Building displaced as a result of the Tree Studios Project and who are entitled to relocation assistance under the Act with the financial and other assistance required thereunder. The cost of such statutorily required assistance shall be an expense of the Developer Parties.

8.24 Bloomingtondales Lease. With respect to the Bloomingtondales Lease:

(a) assuming the due authorization and execution of the Bloomingtondales Lease by Bloomingtondales, the Bloomingtondales Lease is valid and binding as to the Medinah Temple Owner and is unmodified (or if modified, is modified only by amendments, copies of which have been provided to DPD), and is in full force and effect;

(b) except for the Bloomingtondales Lease, there are no binding agreements (written or oral) between the Developer Parties or their Affiliates and Bloomingtondales which, taken as a whole, materially affect the economic relationship between Developer Parties and Bloomingtondales with respect to the Medinah Temple Property or the Bloomingtondales Property;

(c) the Medinah Temple Owner has delivered (and will deliver) to the City copies of any written notices delivered to Bloomingtondales pursuant to the Bloomingtondales Lease alleging either (i) that Bloomingtondales is in default under the Bloomingtondales Lease or that an event has occurred and or a condition exists which, with the giving of notice, or the lapse of time, or both, would constitute such a default, or (ii) that the Medinah Temple Owner has current defenses, counterclaims, liens or claims of offset or credit under, or claims or currently exercisable termination rights under the Bloomingtondales Lease; and

(d) the Medinah Temple Owner has substantially performed all of its current obligations under the Bloomingtondales Lease.

8.25 Survival of Covenants. All warranties, representations, covenants and agreements of each Developer Party contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of its execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and shall be in effect

throughout the Term of the Agreement (or such different period as may be expressly provided for in this Section 8).

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

As used in this Section 10, references to the "Developer" shall mean the Developer Parties, with respect to the Developer Parties Project, and, for purposes of the Limited Joinder, Bloomingdales, with respect to the Bloomingdales Project, and references to "Project" shall mean the Developer Parties Project, with respect to the Developer Parties, and, for purposes of the Limited Joinder, the Bloomingdales Project, with respect to Bloomingdales. References to "general contractor" shall mean the Developer Parties General Contractor or the Bloomingdales General Contractor, as applicable.

10.01 Employment Opportunity: The Developer Parties, 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 Parties operating on the Property (collectively, with the Developer Parties, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago

Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

(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 construction of the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate performing any portion of the construction of the

Project, 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 15.03 hereof.

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

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

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DPD in triplicate, submitted quarterly, 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 Parties, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of

0010281753

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

At the direction of DPD, affidavits and other supporting documentation will be required of the Developer Parties, 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 Parties, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer Parties 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 Parties to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees 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 Parties, the General Contractor and/or the subcontractors to prosecution.

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

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

a. Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the total MBE/WBE Budget (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBES or WBES:

- i. At least 25 percent by MBES.
- ii. At least 5 percent by WBES.

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

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

of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

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

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

The Developer Parties hereby represent and warrant to the City that they have 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, all Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer Parties agree 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 Parties: (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 any Developer Party, or any person directly or indirectly controlling, controlled by or under common control with the Developer Parties Party, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer Parties Party), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer Parties Party or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

As used in this Section 12, references to the "Developer" shall mean the Developer Parties, with respect to the Developer Parties Project (excluding the Bloomingdales Property) and, for purposes of the Limited Joinder, Bloomingdales, with respect to the Bloomingdales Property.

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

(a) Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

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

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

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability; provided, however, that such limit shall only be \$1,000,000 in the case of any subcontractors whose subcontract amount is less than \$100,000. Coverages shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be

performed, the applicable General Contractor shall provide Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

When the applicable General Contractor undertakes any construction, including improvements, betterments, and/or repairs, the applicable General Contractor shall provide, or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility (including replacement cost coverage for all historic preservation features identified on Exhibit D). Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. The City of Chicago shall be named as an additional insured and loss payee.

(vi) Professional Liability

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

policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

(b) Additional Requirements

- (i) Following the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.
- (ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property (including replacement cost coverage for all historic preservation features identified on Exhibit D). Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

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

The insurance shall provide for 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

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

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

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

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

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

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

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

The City of Chicago Risk Management Department maintains the right to reasonably modify, delete, alter or change these requirements, so long as any such change does not increase these requirements, subject to Bloomingdales' right to continue to self-insure with respect to any or all of the required coverages.

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. The Developer Parties (each, an "Indemnifying Party") agree 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 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 third party actions (including, without limitation, actions by the State of Illinois with respect to the DCCA grant funds) against the City in connection with:

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

(ii) such Indemnifying Party's failure to pay all amounts due and owing its general contractor, or its general contractor's failure to pay subcontractors or materialmen in connection with the Project; or

(iii) such Indemnifying Party's making of any material misrepresentation or omission in this Agreement any offering memorandum or information statement or any other document

related to this Agreement that is the result of information supplied or omitted by the Indemnifying Party, its Affiliate, or any agents, employees, contractors or persons acting under the control or at the request of the Indemnifying Party or any Affiliate thereof; or

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

(v) any amounts becoming due and payable to the State of Illinois under the grant agreement relating to the DCCA funds;

provided, however, that the Indemnifying Party shall have no obligation to an Indemnitee arising from the wanton, willful or intentional misconduct, any negligence or any violation of the Act by that Indemnitee or acts or omissions by Bloomington. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, the Indemnifying Party 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 be in effect throughout the Term of the Agreement. Any Indemnifying Party may apply any applicable insurance proceeds that it has received against any amounts due under this Section 13.01 but any shortfall in such proceeds shall not release such Indemnifying Party from payment of any additional amounts that may be due and not covered by insurance proceeds.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. The Developer Parties, for the Term of the Agreement shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Developer Project, the disposition of all funds from whatever source allocated thereto, the direct or indirect receipt of additional funds, as contemplated by Section 4.02, and to monitor their respective portions of Project. All such books, records and other documents, including but not limited to the loan statements, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer Parties' office for inspection, copying, audit and examination by an authorized representative of the City, at the expense of the Developer Parties upon reasonable prior notice to the City. The Developer Parties shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts

entered into by the Developer Parties with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours through the TIF Expiration Date. No such inspection shall materially interfere with any tenant's business operations.

14.03 Annual Reporting. After completion of construction, the Developer Parties shall provide the City with annual reports summarizing the Developer Parties' compliance with its continuing obligations hereunder, in form and substance acceptable to DPD. Such annual reports shall be submitted by November 1st and shall cover the 12 month period ending the immediately preceding September 30th. Such reports shall include, without limitation, a rent roll indicating which spaces are leased to Artists and Arts-Related Businesses and setting forth the Below Market Rents being charged for the applicable units and a summary of the public benefits offered during such year.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. This Section 15 sets forth the Developer Parties' defaults and the available City remedies for such defaults. Defaults by Bloomingdales and available City remedies for such defaults are specified in Sections 7 and 9 of the Limited Joinder.

The occurrence of any one or more of the following events by any Developer Party which is not cured within the cure period provided for in Section 15.02) or the dismissal period specified below, as applicable (a "Developer Event of Default") will entitle the City to exercise the applicable remedies described in Section 15.03:

- (a) [INTENTIONALLY DELETED]
- (b) a breach of the leasing and use restrictions in Section 8.20;
- (c) a breach of the public benefit covenants in Section 8.21;
- (d) a breach of the historic preservation work covenant in Section 8.22 that is to be performed by the Developer Parties;
- (e) the material failure to perform, keep or observe any of other covenants, conditions, promises, agreements or obligations under this Agreement;

(f) the material failure to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations under any other agreement with any person or entity if such failure may have a material adverse effect on the Developer Parties' ability to perform its obligations hereunder or condition, or upon any portion of the Project;

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

(h) 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, or any portion thereof, including any fixtures now or hereafter attached thereto (but excluding equipment financing and purchase money security interests in personal property located on the Property), other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(i) the commencement of any proceedings in bankruptcy by or against any Developer Party or for the liquidation or reorganization of the Developer Party, or alleging that the Developer Party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer Party'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 Party; 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 ninety (90) days after the commencement of such proceedings;

(j) the appointment of a receiver or trustee for any Developer Party, for any substantial part of the Developer Party'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 Party; 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 ninety (90) days after the commencement thereof;

(k) the entry of any judgment or order against any Developer Party relating to any portion of the Property in an amount in excess of \$100,000 that remains unsatisfied or undischarged and in effect for ninety (90) days after such entry without a stay of enforcement or execution;

(l) the dissolution of any Developer Party or the death of Albert M. Friedman prior to the issuance of the Developer Certificate, unless the executor or trustee of such individual's estate provides reasonable assurances to the City of the estate's commitment to fund any unfunded capital contribution amounts owed by such deceased individual;

(m) the institution in any court of a criminal proceeding (other than a misdemeanor) against any Developer Party, Albert M. Friedman, or any Ten Percent Owner which is not dismissed within ninety (90) days, or the indictment of any Developer Party or the aforementioned persons for any crime (other than a misdemeanor); or

(n) a material default by the landlord under the Bloomingdales Lease that is not cured within any cure period granted thereunder that results in Bloomingdales terminating such lease or permanently vacating any substantial portion of the Bloomingdales Premise.

15.02 Curative Period. In the event any Developer Party fails to perform a monetary covenant under this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer Party has failed to perform such monetary covenant within twenty (20) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer Parties Party shall fail to perform a non-monetary covenant under this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer Parties Party has failed to cure such default within forty-five (45) 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 forty-five (45) day period, the Developer Parties 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 forty-five (45) day period and thereafter diligently and continuously prosecutes the cure of such default to completion, then the Developer Parties Party shall have up to an additional ninety (90) days time to cure such Developer Event of Default (or, if a longer period of time is permitted under the loan documents for the Lender Financing, such longer period as may be applicable thereunder) until the same has been cured.

In the event a Developer Event of Default occurs, the City shall provide any lender providing Lender Financing with written notice of such default and the Lender shall have the same grace or cure applicable to such default as the Developer Parties have, plus an additional thirty (30) days, in which to cure such Developer Event of Default. The City will accept any such cure by such Lender and, upon such cure, will not exercise its remedies under Section 15.03.

15.03 Remedies. If a Developer Event of Default occurs, the City shall have the following rights and remedies depending on the nature of such default. If more than one Developer Event of Default Exists, the City will have the right to exercise the remedies applicable to each such default.

(a) if the Developer Parties fail to obtain a Developer Certificate or Bloomingdales fails to obtain a Bloomingdales Certificate, the City shall have the rights and remedies in Section 7.03 of the Agreement;

(b) [INTENTIONALLY DELETED];

(c) if a Developer Event of Default occurs under Sections 15.01(b) or (c), the City may seek the termination of any unauthorized leases or uses and such injunctive relief, specific performance or such other equitable relief as may be available;

(d) if a Developer Event of Default occurs under Section 15.01(d), the City may seek such injunctive relief, specific performance or such other equitable relief as may be available and, if the historic features cannot be restored, the City may recover all City Funds paid under this Agreement;

(e) if any Event of Default occurs under Section 15.01(m), the City shall not be obligated to pay any additional City Funds to the Developer Parties, but shall continue to reserve the Incremental Taxes for the Area for possible payment to the Developer Parties pending the outcome of such proceeding. If such proceeding results in a conviction or guilty plea, the City may then exercise one or more of the remedies described in Section 15.03(g). If such proceeding does not result in a conviction or guilty plea, the City shall resume payments of City Funds to the Developer Parties, including payment of the reserved Incremental Taxes;

(f) if an Event of Default occurs under Section 15.01(n) resulting in Bloomingdales's terminating the Bloomingdales Lease or permanently vacating more than half of the Bloomingdales Property, then the City may exercise one or more of the following remedies: (i) cease (retroactive to the day on which the event described in Section 15.01(n) occurs) any further accrual of interest on the City Notes; (ii) cease further payments with respect to and cancel the City Notes; and (iii) make written demand upon the Developer Parties and recapture an amount equal to the sum of the Medinah Temple Note Recapture Amount and the Unit Building Note Recapture Amount; and

(g) for a breach of any other representation, warranty, covenant or obligation of the Developer Parties that is not cured, the City may terminate the rights and benefits of the Developer Parties under this Agreement, the City Notes, and may terminate disbursement of City Funds to the Developer Parties. However, the City will only be entitled to recapture from the Developer Parties any City Funds previously paid with respect to the City Notes only if the Developer Event of Default involves a Developer Reimbursement Event.

15.04 No Cross-Default. After the issuance of Certificates to the Developer Parties and Bloomingdales pursuant to Section 7.01, and notwithstanding anything herein to the contrary, no default by any of the Developer Parties hereunder or by Bloomingdales under the Limited Joinder, as the case may be, shall be a default of the other party. In case of any such default, the City shall only be entitled to exercise its remedies against the defaulting party.

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 N hereto and, together with any extensions, renewals or refinancings of such mortgages up to the original principal amount thereof are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer Parties 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 Parties 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 Parties as follows:

(a) In the event that any mortgagee or any other party shall succeed to the Developer Parties' 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 Parties' 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 Parties 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 the covenants running with the land specified in Section 7.03. 0010281753

(b) In the event that any mortgagee or any other party shall succeed to the Developer Parties' 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 Parties' interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer Parties for all purposes under this Agreement, provided, however, that (i) if such succession occurs prior to the issuance of the Developer Certificate and such successor completes the Developer Project (and Bloomingdales completes the Bloomingdales Project), such successor shall be entitled to the issuance of the City Notes, and (ii) if such succession occurs after the issuance of the Developer Certificate, the successor shall not be entitled to payments with respect to the City Notes (or any payment of TIF Bond Proceeds) unless such successor is the lender providing the original Lender Financing or the Commissioner of DPD, in the Commissioner's sole discretion, determines that such payments would otherwise be appropriate.

In the event that any mortgagee or any other party shall succeed to the Developer Parties' 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, prior to the issuance of a Developer Certificate, and in conjunction therewith accepts an assignment of the Developer Parties' interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer Parties for all purposes under this Agreement.

However, if such a successor in interest to the Developer Parties' interest in the Property does not expressly accept an assignment of the Developer Parties' interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by the covenants running with the land specified in Section 7.03.

(c) Prior to the issuance of the Developer Certificate, 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.

(d) In the event any mortgagee or any other party shall succeed to the Developer Parties' interest in the Property or any portion thereof as the direct result of the exercise of any remedies under any 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 Parties' interest hereunder in accordance with Section 18.15 hereof, such successor shall not have any obligation to pay any monetary amounts payable by the Developer Parties as of the date of such succession. Such successor shall, however, be obligated to cure any non-monetary Developer Events of Default (excluding Developer Events of Default that cannot be cured, such as a bankruptcy event involving a Developer Party) that may exist as of the date of such succession. For example, if as of the date of succession, (i) the Developer Parties owed the City an amount pursuant to Section 13.01, the successor would have no liability for the payment of such amount, and (ii) an Event of Default existed as a result of a failure to comply with Exhibit D requirements applicable to historic features, such successor would be obligated to cure such Developer Event of Default.

(e) In the event that any mortgagee or any other third party shall succeed to the Developer Parties' 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, the City's recourse against such party shall be limited to such party's interest in the party and such party shall not have any personal liability hereunder.

SECTION 17. NOTICE

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

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

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

If to the Developer c/o Friedman Properties, Ltd.
 Parties: 325 N. LaSalle Street, Suite 600
 Chicago, Illinois 60610
 Attn: Albert Friedman

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

Bloomingtondale's, Inc.
 c/o Federated Department Stores, Inc.
 7 West Seventh Street
 Cincinnati, Ohio 45202
 Attn: Real Estate Department
 Facsimile: (513) 579-7513

Bloomingtondale's, Inc.
 1000 Third Avenue
 New York, New York 10022
 Attn: Chairman

Piper, Marbury, Rudnick & Wolfe
 203 N. LaSalle Street, Suite 1800
 Chicago, Illinois 60601
 Attn: J. Kevin Garvey or David Reifman
 Fax: (312) 236-7516

If to
 Bloomingtondales: To the Cincinnati and New York offices
 listed above, with a copy again to
 Piper, Marbury, Rudnick & Wolfe

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibits A and F hereto without the consent of any party hereto, so long as no amendments have a material adverse affect on the Developer Parties, Bloomingtondales or the Project. The Commissioner of DPD shall also have the discretion to approve revisions Exhibits I-2 and K-2 upon finalization of the Bloomingtondales Plans and

Specifications, Bloomington Project Budget, Developer Parties Plans and Specifications and Developer Parties Project Budget.

18.02 Entire Agreement. This Agreement (including the Limited Joinder and 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 Parties, Bloomington 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 Parties from the City or any successor in interest or on any obligation under the terms of this Agreement and the Limited Joinder.

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

18.05 Waiver. Waiver by the City, the Developer Parties or Bloomington with respect to any breach of this Agreement or the Limited Joinder 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, the Developer Parties or Bloomington 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 or the Limited Joinder 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 or the Limited Joinder. 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 the City under this Agreement and the Limited Joinder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

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

limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

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

18.09 Counterparts. This Agreement and the Limited Joinder 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 the Limited Joinder, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement and the Limited Joinder 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 or the Limited Joinder and the provisions of the TIF Ordinances and the TIF Bond Ordinance, if any, such ordinance(s) shall prevail and control.

18.12 Governing Law. This Agreement and the Limited Joinder 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 or the Limited Joinder 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 and the Limited Joinder for the City.

18.15 Assignment. Prior to the Fifth Anniversary Date, the Developer Parties may not sell, assign or otherwise transfer their respective interests in this Agreement in whole or in part without the written consent of the City, provided, however, that the foregoing shall not prevent the Developer Parties from

pledging or collaterally assigning and delivering the City Notes to the lender providing the Lender Financing. Any successor in interest to the Developer Parties under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement for the Term of the Agreement, or such other period as may be applicable. The Developer Parties consent 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 Parties, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer Parties, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement and the Limited Joinder shall not run to the benefit of, or be enforceable by, any person or entity other than the parties hereto their successors and permitted assigns. Except as specifically set forth in the Limited Joinder, this Agreement and the Limited Joinder should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.17 Force Majeure. Neither the City, the Developer Parties, Bloomingdales nor any successor in interest to any of such parties 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 party relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, within five (5) business days written notice to the other parties to this Agreement. The party 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 Parties are required to provide notice under the WARN Act, the Developer Parties 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 Parties have locations in the State. Failure by the Developer Parties Party 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 agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

18.21 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, the Developer agree 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 against the applicable party if the City is the prevailing party in such enforcement action, regardless of whether such action is resolved by a court determination or voluntary settlement. 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-judgement collection services. The Developer Parties also will pay any court costs, in addition to all other sums provided by law.

18.22 Business Relationships. The Developer Parties acknowledge (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that it 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 elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the

transactions contemplated hereby. The Developer Parties hereby represent and warrant that, to the best of their knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

18.23. No Modification Of Bloomingdales Lease. Nothing in this Agreement or in the Limited Joinder is intended to nor shall be construed to modify or alter the rights and obligations of the Medinah Temple Owner and Bloomingdales, as between such parties, under the Bloomingdales Lease, as such rights and obligations may be set forth in the Bloomingdales Lease.

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

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

MEDINAH TEMPLE, INC., an Illinois corporation

By: _____
Albert M. Friedman, President

TREE STUDIOS, LLC, an Illinois limited liability company

By: _____
Albert M. Friedman, Manager

UNIT BUILDING, INC., an Illinois corporation

By: _____
Albert M. Friedman, President

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

By: 
Alicia Mazur Berg
Commissioner

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

MEDINAH TEMPLE, INC., an Illinois corporation

By: _____
Albert M. Friedman, President

TREE STUDIOS, LLC, an Illinois limited liability company

By: _____
Albert M. Friedman, Manager

UNIT BUILDING, INC., an Illinois corporation

By: _____
Albert M. Friedman, President

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

By: _____
Alicia Mazur Berg
Commissioner

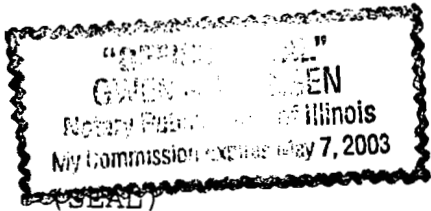
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

0010281753

I, Gwen A. Franzen, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Albert M. Friedman, personally known to me to be the President of Medinah Temple, Inc., an Illinois corporation (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Developer, as his free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

April GIVEN under my hand and official seal this 6th day of _____, 2001.

Gwen A. Franzen
Notary Public



My Commission Expires _____

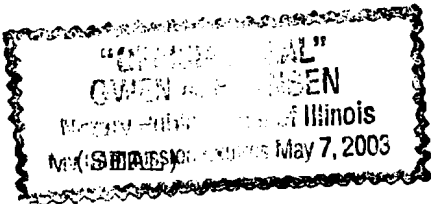
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

0010281753

I, GWEN A. FRANSEN, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Albert M. Friedman, prsonally known to me to be the Manager of Tree Studios, LLC, an Illinois corporation (the "Managing Member"), on its own behalf and in its capacity as the Managing Member of Tree Studios, LLC, an Illinois limited liability company (the "Developer") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Managing Member, as his free and voluntary act and as the free and voluntary act of the Managing Member and the Developer, for the uses and purposes therein set forth.

April GIVEN under my hand and official seal this 6th day of _____, 2001.

Gwen A. Fransen
Notary Public



My Commission Expires _____

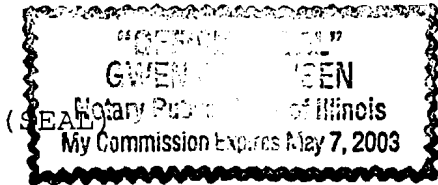
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

0010281753

I, GWEN A. FRANSEN, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Albert M. Friedman, personally known to me to be the President of Unit Building, Inc., an Illinois corporation (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Developer, as his free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

April GIVEN under my hand and official seal this 6th day of _____, 2001.

Gwen A. Fransen
Notary Public



My Commission Expires _____

0010281753

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

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

GIVEN under my hand and official seal this 6 th day of April, 2001.

Dionisia Leal
Notary Public



My Commission Expires 03/02/05

(NO PAGE 84)

EXHIBIT A

0010281753

Legal Description of Redevelopment Area

All that part of the East Half of the Northeast Quarter of Section 9 together with that part of the West Half of the Northwest Quarter of Section 10, all in Township 39 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

Beginning at the point of intersection of the South line of West Ohio Street with the West line of North State Street;

Thence North along said West line of North State Street to the North line of West Ontario Street;

Thence East along said North line of West Ontario Street and along the North line of East Ontario Street to the East line of North Wabash Avenue;

Thence South along said East line of North Wabash Avenue to the South line of East Ohio Street;

Thence West along said South line of East Ohio Street and along the South line of West Ohio Street to the point of beginning.

All in the City of Chicago, Cook County, Illinois.

EXHIBIT B

0010281753

Legal Description of Property
(3 Parcels)

1. Legal Description of Medinah Temple Parcel

That part of Block 27 in Kinzie's Addition to Chicago, in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, lying East of the following described line:

Beginning at a point on the North line of said block, 144.03 feet West of the Northeast corner thereof; thence South on a line forming an angle of 89 degrees 54 minutes 48 seconds to the right of the last described line, 49.53 feet; thence West on a line forming an angle of 89 degrees 49 minutes 06 seconds to the left of the last described line, 6.00 feet; thence South on a line forming an angle of 90 degrees 10 minutes 55 seconds to the right of the last described line, 119.45 feet; thence East on a line forming an angle of 89 degrees 33 minutes 57 seconds to the right of the last described line, 6.02 feet; thence South on a line forming an angle of 89 degrees 24 minutes 13 seconds to the left of the last described line, 49.22 feet to a point on the South line of said block, 144.08 feet West of the Southeast corner thereof, in Cook County, Illinois.

2. Legal Description of Unit Building Parcel

That part of block 27 in Kinzie's Addition to Chicago, in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, described as follows:

Commencing at a point on the North line of said block, 144.03 feet West of the Northeast corner thereof; thence South on a line forming an angle of 89 degrees 54 minutes 48 seconds to the right of the last described line, 49.53 feet; thence West on a line forming an angle of 89 degrees 49 minutes 06 seconds to the left of the last described line, 6.00 feet; thence South on a line forming an angle of 90 degrees 10 minutes 55 seconds to the right of the last described line, 5.62 feet to the point of beginning; thence West on a line forming an angle of 90 degrees 02 minutes 01 seconds to the left of the last described line, 55.01 feet; thence South on a line forming an angle of 90 degrees 01 minutes 53 seconds to the right of the last described line 107.21 feet; thence East on a line forming an angle of 90 degrees 04 minutes 23 seconds to the right of the last described line 55.00 feet;

0010281753

thence North on a line forming an angle of 89 degrees 55 minutes 45 seconds to the right of the last described line, 107.31 feet to the point of beginning, in Cook County, Illinois.

3. Legal Description of Tree Studios Parcel

That part of block 27 in Kinzie's Addition to Chicago, in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, lying West of the following described line:

Commencing at a point on the North line of said block, 144.03 feet West of the Northeast corner thereof; thence South on a line forming an angle of 89 degrees 54 minutes 48 seconds to the right of the last described line, 49.53 feet; thence West on a line forming an angle of 89 degrees 49 minutes 06 seconds to the left of the last described line, 6.00 feet; thence South on a line forming an angle of 90 degrees 10 minutes 55 seconds to the right of the last described line, 5.62 feet; thence West on a line forming an angle of 90 degrees 02 minutes 01 seconds to the left of the last described line, 55.01 feet; thence South on a line forming an angle of 90 degrees 01 minutes 53 seconds to the right of the last described line 107.21 feet; thence East on a line forming an angle of 90 degrees 04 minutes 23 seconds to the right of the last described line 55.00 feet; thence South on a line forming an angle of 90 degrees 04 minutes 15 seconds to the left of the last described line 6.52 feet; thence East on a line forming an angle of 89 degrees 33 minutes 57 seconds to the right of the last described line 6.02 feet; thence South on a line forming an angle of 89 degrees 24 minutes 13 seconds to the left of the last described line 49.22 feet to a point on the South line of said block, 144.08 feet West of the Southeast corner thereof, in Cook County, Illinois.

KNOWN AS : 600 N. Wabash Avenue
Chicago, Illinois

PIN: 17-10-115-001
17-10-115-002

0010281753

EXHIBIT A C-1

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 1 (Medinah Temple):

That part of block 27 in Kinzie's addition to Chicago, in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, lying East of the following described line:

Beginning at a point on the North line of said block, 144.03 feet West of the Northeast corner thereof; thence South on a line forming an angle of 89 degrees 54 minutes 48 seconds to the right of the last described line, 49.53 feet; thence West on a line forming an angle of 89 degrees 49 minutes 06 seconds to the left of the last described line, 6.00 feet; thence south on a line forming an angle of 90 degrees 10 minutes 55 seconds to the right of the last described line, 119.45 feet; thence East on a line forming an angle of 89 degrees 33 minutes 57 seconds to the right of the last described line, 6.02 feet; thence South on a line forming an angle of 89 degrees 24 minutes 13 seconds to the left of the last described line 49.22 feet to a point on the south line of said block, 144.08 feet West of the Southeast corner thereof, to the point of beginning, in Cook County, Illinois.

Address: 600 North Wabsh, Chicago, Illinois 60611

PIN: 17-10-115-002-0000

Parcel 1(Chicago Medinah Temple): Bloomingdale's, Inc.

0010281753

That part of block 27 in Kinzie's addition to Chicago, in Section 10, Township 39 North, Range 14 East of the Third Principal, lying East of the following described line:

Beginning at a Point on the North Line of said block, 144.03 feet West of the Northeast corner thereof; thence South on a line forming an angle of 89 degrees 54 minutes 48 seconds to the right of the last described line, 49.53 feet; thence West on a line forming an angle of 89 degrees 49 minutes 06 seconds to the left of the last described line, 6.00 feet; thence South on a line forming an angle of 90 degrees 10 minutes 55 seconds to the right of the last described line, 119.45 feet; thence East on a line forming an angle of 89 degrees 33 minutes 57 seconds to the right of the last described line, 6.02 feet; thence South on a line forming an angle of 89 degrees 24 minutes 13 seconds to the left of the last described line, 49.22 feet to a point on the South line of said block, 144.08 feet West of the Southeast corner thereof, in Cook County, Illinois, except the improvement located thereon known as the Medinah Temple Building.

Parcel 2:

The improvements located on Parcel 1 of the land described above, commonly known as the Medinah Temple Building.

Address: 600 North Wabash, Chicago, Illinois 60611

PIN: 17-10-115-002-0000

EXHIBIT-A C-2

0010281753

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 2 (Unit Building):

That part of block 27 in Kinzie's addition to Chicago, in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, described as follows:

Commencing at a point on the North line of said block, 144.03 feet west of the Northeast corner thereof; thence South on a line forming an angle of 89 degrees 54 minutes 48 seconds to the right of the last described line, 49.53 feet; thence West on a line forming an angle of 89 degrees 49 minutes 06 seconds to the left of the last described line, 6.00 feet; thence south on a line forming an angle of 90 degrees 10 minutes 55 seconds to the right of the last described line, 5.62 feet to the point of beginning; thence west on a line forming an angle of 90 degrees 02 minutes 01 seconds to the left of the last described line, 55.01 feet; thence south on a line forming an angle of 90 degrees 01 minutes 53 seconds to the right of the last described line 107.21 feet; thence East on a line forming an angle of 90 degrees 04 minutes 23 seconds to the right of the last described line, 55.00 feet; thence North on a line forming an angle of 89 degrees 55 minutes 45 seconds to the right of last described line, 107.31 feet to the point of beginning, in Cook County, Illinois.

Address: 12 East Ohio Street, Chicago, Illinois 60611

PIN: 17-10-115-001-0000

0010281753

EXHIBIT A C-3

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 3 (Tree Studio and the Courtyard):

That part of block 27 in Kinzie's addition to Chicago, in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, lying West of the following described line:

Beginning at a point on the North line of said block, 144.03 feet West of the Northeast corner thereof; thence South on a line forming an angle of 89 degrees 54 minutes 48 seconds to the right of the last described line, 49.53 feet; thence west on a line forming an angle of 89 degrees 49 minutes 06 seconds to the left of the last described line, 6.00 feet; thence South on a line forming an angle of 90 degrees 10 minutes 55 seconds to the right of the last described line, 5.62 feet; thence West on a line forming an angle of 90 degrees 02 minutes 01 seconds to the left of the last described line, 55.01 feet; thence South on a line forming an angle of 90 degrees 01 minutes 53 seconds to the right of the last described line, 107.21 feet; thence east on a line forming an angle of 90 degrees 04 minutes 23 seconds to the right of the last described line, 55.00 feet; thence south on a line forming an angle of 90 degrees 04 minutes 15 seconds to the left of the last described line, 6.52 feet; thence east on a line forming an angle of 89 degrees 33 minutes 57 seconds to the right of the last described line, 6.02 feet; thence south on a line forming an angle of 89 degrees 24 minutes 13 seconds to the left of the last described line, 49.22 feet to a point on the South line of said block, 144.08 feet West of the Southeast corner thereof, in Cook County, Illinois.

Addresses: 4-10 East Ohio, Chicago, Illinois 60611

3-9 East Ohio, Chicago, Illinois 60611

601-623 North State Street, Chicago, Illinois 60611

PINS: 17-10-115-001-0000, 17-10-115-002-0000

**MEDINAH TEMPLE/TREE STUDIOS
REDEVELOPMENT PROJECT**
Description of Required Rehabilitation Work

General:

The Property is comprised of five structures and an interior courtyard:

- ▶ the **Tree Studios Building**, including the Ohio Street and Ontario Street annexes and courtyard,
- ▶ the **Unit Building**, and
- ▶ the **Medinah Temple Building**.

The Tree Studios Building was constructed in 1894, with annexes added in 1912 and 1913 enclosing an interior landscaped courtyard. The Tree Studios Building, including the annexes and courtyard, are listed on the National Register of Historic Places and the Illinois Register of Historic Places. The original 1894 portion of the building (street elevations only) is also a designated Chicago Landmark. The Medinah Temple was constructed in 1911, with an addition (the Unit Building) added in c.1959 within the courtyard.

As part of the Project and as required by the Agreement, the Developer Parties and Bloomingdale's shall consent to designation as a Chicago Landmark of the following remaining undesignated portions of the Property, which consist of these **significant historical and architectural features** (the "Significant Features"):

- ▶ all exterior elevations of the Tree Studios Building, including rooflines, and the Medinah Temple, including rooflines,
- ▶ all exterior elevations of the Unit Building, including rooflines, except that the Unit Building shall be considered a non-contributing building for the purposes of the Chicago Landmark designation and this Agreement,
- ▶ the Tree Studios courtyard,
- ▶ the following interior features of the original 1894 portion of the Tree Studios Building: the Ohio Street and Ontario Street entry vestibules, stair halls/landings, and second-floor corridor,
- ▶ certain interior features of the Tree Studios annexes, to be mutually determined, and
- ▶ the following interior features of the Medinah Temple auditorium: the auditorium ceiling, including the main dome and three secondary domes; on the west wall of the auditorium, the proscenium arch and the matching ornamental surrounds around the flanking organ consoles; the capitals of the two floor-to-ceiling columns; and the interior casework of the windows.

All work to the Significant Features shall be completed in accordance with the Agreement and the following documents and materials:

- the City of Chicago's building permit review procedures and the Landmarks Ordinance, and subject to the review and approval of the Commission on Chicago Landmarks.

- *The Secretary of the Interior's Standards for Rehabilitation of Historic Buildings* (rev. 1990, and as amended) (the "Standards").
- *Guidelines for Alterations to Historic Buildings and New Construction*, adopted by the Commission on Chicago Landmarks on March 4, 1992,
- Historical photographs, architectural drawings of the Tree Studios and the Medinah Temple, and other available archival documentation of the buildings, as have been investigated and assembled by the Developer Parties,
- Conceptual plans, elevations and sections ("Concept Plans") for the Property, prepared by Daniel P. Coffey and Associates, and as presented to the Commission on Chicago Landmarks on October 4, 2000, and approved by the Commission in concept only, and
- General scope of work ("HCC Scope of Work") for the Property, prepared by Historic Preservation Consultants for the Developer Parties, and dated May 18, 2000, as revised January 4, 2000.

Prior Approval:

All exterior work, including any interior work which significantly impacts the exterior appearance of the Property, and all interior work affecting Significant Features shall be subject to the prior review and approval of the City's Department of Planning and Development, Landmarks Division ("DPD"), and the Commission on Chicago Landmarks (the "Commission"). The Plans and Specifications shall address the work required by this Exhibit and submitted for review and approval.

0010281753

Required Work - Developer Parties:

- **Tree Studios Building**

(a) **Existing Conditions.** As part of the submission of Plans and Specifications, the Developer Parties shall submit a set of 8 x 10 photographs OR a set of as-built drawings documenting the existing conditions of the Significant Features.

(b) **Exterior Rehabilitation.** The Tree Studios Building shall be rehabilitated as described by the HCC Scope of Work and shall follow this general principle: Existing historic features shall be retained and repaired wherever possible; if beyond repair, these features shall be replaced in like kind in accordance with the *Standards*. Missing features are not required to be replaced unless specified as part of the HCC Scope of Work.

(c) **Fire Sprinkler System.** A fire sprinkler system shall be installed for the Tree Studios Building as part of the Project.

- **Tree Studios Courtyard**

(a) **Existing Conditions.** As part of the submission of Plans and Specifications (and prior to any demolition in the courtyard), the Developer Parties shall document the existing conditions of the courtyard and identify any historically-significant features such as but not limited to the paving plan (including the paving pattern and materials), the planting scheme (including area and location of planting beds), and other features such as the fountain. Additional archival research may be necessary to determine which features are original and what changes have occurred or been altered over time. As appropriate, the historic features shall be salvaged for reinstallation in the reconstructed courtyard.

(b) **Landscape Plan.** A landscape plan for the reconstructed courtyard shall be prepared and submitted for review and approval which addresses the reinstallation of the historically-significant features of the courtyard as well as an historically-appropriate paving and planting scheme. It is understood that the courtyard may be excavated to build rentable space below grade and that part of the courtyard may be used in conjunction with the adjacent tenant spaces.

- **Unit Building**

(a) **Adaptive Reuse.** The Unit Building will be adapted for use as an office building, consistent with the Concept Plans. As part of this conversion, new window and door openings may be added to the exterior walls of the building as the Developer Parties may reasonably determine. An addition of less than two stories may be added to the top of the building, provided that no individual floor is higher than 13 feet and no portion of the addition including appurtenances is taller than 26 feet high measured from the existing roof of the Unit Building, except that the mechanical overhead for the elevator may be an additional two feet higher. No mechanical equipment shall be located on the roof except as approved by the Commission and in accordance with the requirements of this exhibit. A new entrance connecting the Unit Building with Ohio Street may be constructed. A mutually-agreeable landscape plan for the building shall be developed. No projecting balconies shall be added to the building except as approved by DPD and the

0010281753

Commission.

- **Medinah Temple Building**

(a) **Existing Conditions.** (1) A copy of whatever archival documentation is required by the Illinois Historic Preservation Agency and (2) an existing window survey (including interior casework) shall be prepared and submitted as part of the Plans and Specifications.

(b) **Exterior Rehabilitation.** The exterior of the Medinah Temple Building shall be rehabilitated as described by the HCC Scope of Work and the Concept Drawings, and shall follow this general principle (unless otherwise specified in this agreement, such as pertaining to the first-floor windows): Existing historic features shall be retained and repaired wherever possible and as agreed in concept to date; if beyond repair, these features shall be replaced in accordance with the *Standards*. Missing features are not required to be replaced unless specified as part of the HCC Scope of Work.

- **Medinah Temple Building**

(a) **Demolition.** Prior to the issuance of any structural demolition permits, Bloomingdale's shall submit an engineering study addressing the interior demolition as it relates to the building's structural system, including but not limited to any necessary interim structural support systems and any proposed structural modifications as a result of the Project or basement excavation. Prior to the issuance of any demolition permits, the requirements of Subsection 5.03 of the Redevelopment Agreement shall be met.

(b) **First-Floor Windows.** The sills of the first-floor windows may be lowered in accordance with the Concept Plans. The design of the new sill and surrounds shall be constructed of terra cotta to match the originals. The design of the new windows, including the dimension that the windows will be recessed from the face of the opening, shall be as approved by the Commission and contingent upon the submission of construction details. A full-scale archival drawing of the historic window and terra-cotta ornament shall be prepared prior to beginning any demolition work on the windows. The removed brick and terra cotta shall be salvaged and made available to the Developer Parties for future use.

(c) **Interior Adaptive-Reuse.** The interior of the Medinah Temple Building shall be adaptively reused in accordance with the Concept Plans. An opening under the main auditorium dome ("Atrium Opening") consistent with the Concept Plans shall be created in the new second and third floors so that the dome and ceiling will be visible from the ground floor. In addition, the Significant (interior) Features shall be retained and repaired as part of the Project; if beyond repair, these features shall be replaced in accordance with the *Standards*. If the existing paint colors are to be changed, an historic paint color analysis, as required by the Commission and including documentation of any remaining original stenciling in the dome(s), shall be prepared and submitted to DPD. Bloomingdale's shall make reasonable efforts to adopt a paint color scheme for the ceiling and domes which respects the historic character of the interior; in no circumstances, however, shall these features be painted black, brown, or a single color. It is understood that the existing stencilwork may be painted over as part of the Project. The wood window casements shall not be painted. It is understood that some modifications to the ceiling will be necessary to accommodate the new building systems.

Required Work - All Parties:

- **All Buildings**

(a) Mechanical Equipment. All new roof-top appurtenances and mechanical equipment shall be screened from view and located to minimize its visibility from the public right-of-way and the Tree Studios courtyard.

(b) Lighting Plan. Exterior Lighting Plans shall be developed for the Tree Studios Building and the Medinah Temple Building incorporating appropriately-designed accent lighting. The accent lighting for the Medinah Temple shall conform with the Concept Plans and shall include exterior lighting for the reconstructed onion domes and back-lighting for the metal grilles at the entries; in addition, appropriately-designed accent lighting (backlighting for the stained-glass windows) shall be developed for the interior main dome. All lighting identified as part of the Lighting Plans shall be maintained and operated for the Term of the Agreement.

(c) Signs, Awnings, Canopies, Banners and Flags. Sign programs for the Tree Studios Building and the Medinah Temple Building shall be developed and submitted for review and approval. (Illustrative signage for the Medinah Temple was part of the Concept Plan presentation.) New traditional retractable-type awnings with a woven-cloth fabric shall be installed on all ground-floor storefronts below the transoms on the original portion of the Tree Studios Building. Awnings on the Medinah Temple Building shall be allowed subject to the approval of the Commission. The Developer Parties shall remove any unused signs or structural sign supports, the pole sign and electronic signs on the Ohio State Street elevation, and the Shriners logo on the southeast corner, and repair the masonry appropriately. It is understood that the Wabash canopy roof may be modified and replaced with glass.

FINAL DRAFT 1/5/00

TIF-Funded Improvements

Medinah Temple Building TIF-Funded Improvements

<u>Line Item</u>	<u>Cost</u>
Property assembly costs, as described in 65 ILCS 5/11-74.4-3(a)(2)	\$7,175,000*

Unit Building TIF-Funded Improvements

<u>Line Item</u>	<u>Cost</u>
Property assembly costs, as described in 65 ILCS 5/11-74.4-3(a)(2)	\$5,325,000

* Amount reflects the sum of the initial closing date payment by Medinah Temple, Inc. of \$2,000,000 plus a \$5,175,000 second installment payment obligation incurred on the closing date and payable within three years of the closing date pursuant to Section 5.2.D of the Bloomingdale's Lease.

In addition to the above amounts, up to \$200,000 may be provided for qualified relocation costs in accordance with Section 4.03(b) of the Redevelopment Agreement.

EXHIBIT F

0010281753

Redevelopment Plan

[NOT ATTACHED FOR RECORDING PURPOSES]

EXHIBIT G

Arts-Related Businesses for Tree Studios

1. Artists (as defined in the redevelopment agreement)
2. Commercial and non-profit arts schools
3. Artists' agents/brokers
4. Art consultants: art dealers
5. Art publications' and art book publishers' offices
6. Arts equipment and supplies - wholesale
7. Art and/or architectural supply stores
8. Museums
9. Commercial art galleries
10. Off-site museum stores
11. Conservators
12. Commercial photography studios
13. Auction houses
14. Advertising agencies*
15. Commercial art and graphic design agencies*
16. Architects and architectural services*
17. Print workshops and fine art printers
18. Fine art book makers
19. Fine art bookstores
20. Musical instrument rental services
21. Musical instrument making and wholesale trade
22. Music licensing and royalties services
23. Musical instrument stores
24. Custom framing services
25. Photographic equipment and supplies - wholesale
26. Photographic mats, mounts, and folders making
27. Photo finish laboratories
28. Camera repair services
29. Digital photography services
30. Camera and photographic supply stores
31. Auditorium, hall, or theater building ownership and operation
32. Arts, preservation or cultural organizations
33. Government arts agencies
34. Clothing designers
35. Costumes, masquerade/theatrical - wholesale
36. Theatrical equipment and supplies - wholesale
37. Theatrical costume making
38. Theatrical producers and services
39. Services allied to motion picture and video production
40. Motion picture distribution services
41. Entertainers and entertainment groups
42. Art Therapists
43. Faux finishing/mural business
44. Web designers*
45. Writers

* Together, these businesses cannot comprise more than 50% of the square footage of the upper floors of the Tree Studios Building.

0010281753

EXHIBIT H

Bloomington Construction Contract

[NOT ATTACHED FOR RECORDING PURPOSES]

EXHIBIT I-1

0010281753

BLOOMINGDALES PROJECT BUDGET

Building Renovation Costs	\$4,945,000
Building Equipment Costs	\$2,902,000
Elevator	\$662,000
Building A/E and General Conditions	\$1,812,000
Store Merchandising (FF&E)	\$8,773,000
Exterior Signage	\$100,000
Movable Items (For Store Interior)	\$636,000
Interior Design Costs	\$680,000
Contingency	\$608,000
TOTAL	\$21,118,000

NOTE: This estimated Bloomingdales Project Budget is preliminary only and is subject to change upon development of architectural plans and specifications for the Bloomingdales Project.

0010281753

EXHIBIT I-2

BLOOMINGDALES MBE/WBE PROJECT BUDGET

Building Renovation Costs	\$4,945,000
Building Equipment Costs	\$2,902,000
Building A/E and General Conditions	\$1,812,000
Exterior Signage	\$100,000
Interior Design Costs	\$680,000
TOTAL	\$10,439,000

NOTE: FFE costs are excluded from MBE/WBE Budget. This estimated Bloomingdales MBE/WBE Project Budget is preliminary only and is subject to change upon the completion of a capacity study by the Target Group.

Exhibit K-1
Developer Project Budget

Medinah Center
Tree Studios/Annex/Unit Buildings
Construction Budget

0010281753

Acquisition Cost \$ 21,000,000

Hard Costs

General Construction	\$ 1,117,385
Union Domes, Cornices & Misc.Exterior	\$ 1,360,000
Studio Improvements	\$ 4,089,900
Retail Improvements	\$ 2,585,560
Exterior Sitework	\$ 250,000
Cleaning, Tuck Painting & Roofing	\$ 2,017,450

Total Hard Costs \$ 11,420,295

Interim Financing	\$ 810,000
Financing Fee	\$ 200,000
Closing Costs & Due Diligence	\$ 500,000
Permits	\$ 17,500
Architectural & Engineering	\$ 600,000
Marketing	\$ 150,000
Brokerage Commissions	\$ 900,000
Property Insurance	\$ 50,000
Real Estate Taxes	\$ 110,000
Developer's Fee	\$ 1,000,000
Operating Expenses	\$ 100,000
Contingency	\$ 1,142,205

Total Soft Costs \$ 5,579,705

Total Construction Costs \$ 38,000,000

0010281753

EXHIBIT J

Developer Construction Contract

[NOT ATTACHED FOR RECORDING PURPOSES]

0010281753

EXHIBIT K-2

Developer MBE/WBE Project Budget

Construction	\$ 1,119,140
Studio Improvements	4,089,900
Retail Improvements	2,585,560
Exterior Sitework	250,000
Cleaning, Tuck Pointing & Roofing	2,017,450
Contingency	1,418,606
 MBE/WBE BUDGET	 \$ 11,480,656
 MBE Dollar Value Requirement	 \$ 2,870,164
WBE Dollar Value Requirement	\$ 574,033

0010281753

EXHIBIT L

Form of City Notes

[NOT ATTACHED FOR RECORDING PURPOSES]

0010281753

EXHIBIT M

Notice of Proposed Transfer

[DEVELOPER PARTIES' LETTERHEAD]

[DATE]

BY MESSENGER

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 Transfer
Medinah Temple/Tree Studios Redevelopment Agreement

Dear Commissioners:

This letter is written pursuant to Section 8.01(1) of the Medinah Temple/Tree Studios Redevelopment Agreement dated _____, 2001 (the "Agreement") and constitutes the written notice of Medinah Temple, Inc., Unit Building, Inc. and Tree Studios, LLC of the proposed transfer of the Property. A summary of the principal terms of the proposed transfer is attached hereto as Schedule 1. If the City has further questions concerning the proposed transfer, such questions should be directed to [INSERT NAME, ADDRESS, AND PHONE NUMBER OF PERSON TO BE CONTACTED].

Sincerely yours,

[DEVELOPER PARTIES' SIGNATURE
BLOCK]

0010281753

Schedule 1 to Exhibit M

Summary of Principal Terms

Legal Description:

Street Address:

Description of
Improvements:

Current Use:

Intended Use:

Buyer:¹

Price:

Lender:

Proposed
Closing Date:

Other Material
Terms of Sale
or Refinancing:

Calculation of
Little Developer Note
Reduced Principal Amount
(if any):

¹ Attach organizational chart depicting upper-tier ownership interests in Buyer identifying all persons and entities having a direct or indirect ownership interest in Buyer.

0010281753

Schedule 2 to Exhibit M

[FORM OF CERTIFICATION BY PROPOSED TRANSFEREE]

[LETTERHEAD OF PROPOSED TRANSFEREE]

[DATE]

BY MESSENGER

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: Medinah Temple/Unit Building/Tree Studios (the "Property")
Medinah Temple/Tree Studios Redevelopment Agreement
Certification by Proposed Transferee

Dear Commissioners:

This letter is written pursuant to Section 8.01() of the Medinah Temple/Tree Studios Redevelopment Agreement dated _____, 2001 (the "Agreement") and constitutes the written certification of the undersigned, which has entered into a contract with Medinah Temple, Inc., Unit Building, Inc., and Tree Studios, LLC, to purchase the Property. A copy of the contract is being delivered to you with this letter. Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

Pursuant to Section 8.01(), and with the understanding that the City will be relying upon such certifications, the undersigned hereby certifies as follows:

(1) it has received and reviewed a true, correct and complete copy of the Agreement and the Redevelopment Plan (collectively, the "TIF Agreements");

(2) it acknowledges and agrees that it shall be bound by, and hereby covenants to comply with, the terms, conditions, covenants, representations and warranties set forth in the TIF

0010281753

Agreements which, by their terms, are binding upon any owner and operator of the Property;

(3) without limiting the generality of item (2) above, it shall comply with the leasing, use and historic preservation requirements set forth in the Redevelopment Agreement;

(4) neither the undersigned, nor any affiliate thereof, nor any person identified in the organizational chart depicting the undersigned's ownership being delivered to the City simultaneously herewith (the "Transferee Parties"), is (a) in violation of any City laws, regulations and requirements (including, without limitation, any "anti-scofflaw" laws); (b) in default under any other written agreements between any such person or entity and the City, or (c) delinquent in the payment of any amounts due to the City;

(5) the undersigned is qualified to do business in the State of Illinois and has obtained all qualifications, licenses and approvals required by the City of Chicago in order to own and operate the Property; and

(6) the undersigned is solvent, able to pay its debts as they become mature and has the financial capability and business expertise to acquire, own and operate the Property;

(7) the total cash and non-cash consideration to be paid for the Property, and the value of such consideration, is as follows: [INSERT DESCRIPTION]; and

(8) the undersigned is an Approved Purchaser because of its status as [INSERT DESCRIPTION]:

If the City has further questions concerning the proposed transfer, such questions should be directed to [INSERT NAME, ADDRESS, AND PHONE NUMBER OF PERSON TO BE CONTACTED].

Sincerely yours,

[PROPOSED TRANSFEREE
SIGNATURE BLOCK]

0010281753

EXHIBIT N

Permitted Liens

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policies 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.

Such matters include the first mortgage lien of LaSalle Bank, N.A., as senior lender, and certain other recorded security documents of such senior lender.

0010281753

EXHIBIT O

Requisition Form

State of Illinois)
) SS
COUNTY OF COOK)

The affiant, _____, _____ of [Medinah Temple, Inc.] [Unit Building, Inc.], an Illinois corporation (the "Developer"), hereby certifies that with respect to that certain Medinah Temple/Tree Studios Redevelopment Agreement between the Developer, certain affiliates of the Developer and the City of Chicago dated _____, 2001 (the "Agreement"):

A. Expenditures for the [Medinah Temple] [Unit Building] Project, in the total amount of \$ _____, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date: \$ _____

C. The Developer Parties requests reimbursement for the [Medinah Temple] [Unit Building] following cost of TIF-Funded Improvements: \$ _____

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

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

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer Parties (as defined in the Redevelopment Agreement) are in compliance with all applicable covenants contained herein.

2. 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.

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

[SIGNATURES APPEAR ON NEXT PAGE]

0010281753

[Developer]

By: _____
Name
Title: _____

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

My commission expires: _____

Agreed and accepted:

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

0010281753

EXHIBIT P

Approved Prior Expenditures

DEVELOPER

<u>Category</u>	<u>Costs to Date</u>
Legal	\$ 193,379
Architecture	\$ 6,992
Consultants	\$ 93,256
Cash from Escrow Applied to Purchase Price	\$ 2,280,709
Other	\$ 5,843
TOTAL	\$ 2,580,179

BLOOMINGDALE'S INC.

<u>Vendor</u>	<u>Costs to Date</u>
ATC Associates, Inc.	\$ 22,723.01
Bloomingtondale's	\$ 10,000.00
Federated Department Stores The Limited	\$ 23,412.47
Thermal Tech Engineering	\$ 6,000.00
STS Consultants, Ltd.	\$ 5,962.91
Federated/Macy's Cap Interest	\$ 10,232.56
James Harb Architects	\$ 5,708.00
James Harb Architects	\$172,305.14
Daniel P. Coffey & Assoc., Ltd.	\$ 9,608.74
Piper Marbury Rudnick & Wolfe	\$376,736.23
TOTAL	\$ 21,709.07
	\$664,398.13

EXHIBIT Q

0010281753

Subordination Agreement

[NOT ATTACHED FOR RECORDING PURPOSES-RECORDED SEPARATELY]

EXHIBIT R

0010281753

Opinion of Developer Parties' Counsel

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

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to _____, an [Illinois] _____ (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the

_____ Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

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

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

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

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

In addition to the foregoing, we have examined

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

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

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

Based on the foregoing, it is our opinion that:

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

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

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have

been duly authorized and approved by all requisite action on the part of the Developer Parties.

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

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

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

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

8. To the best of our knowledge after diligent inquiry, all of the assets of the Developer Parties are free and clear of mortgages, liens, pledges, security interests and

encumbrances except for those specifically set forth in the Documents.

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

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

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

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois. **[Note: include a reference to the laws of the state of incorporation/organization of the Developer Parties, if other than Illinois.]**

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

Very truly yours,

By: _____
Name: _____

0010281753

EXHIBIT S

Form of Payment Bond

[NOT ATTACHED FOR RECORDING PURPOSES]

OHIO-WABASH TIF

0010281753

MEDINAH TEMPLE (OHIO WABASH TIF)

EXHIBIT T

YEAR	MINIMUM ASSESSED VALUE	ESTIMATED MULTIPLIER	MINIMUM EQUALIZED ASS. VALUE	BASE EAV	TAX RATE	TAXES PAID	INCREMENTAL TAXES
2001	\$3,946,980	2.1789	\$8,600,074	\$1,278,143	8.536%	\$734,102	\$0
2002	\$8,651,511	2.1789	\$18,850,777	\$1,278,143	8.536%	\$1,609,102	\$625,000
2003	\$9,271,627	2.1789	\$20,201,947	\$1,278,143	8.536%	\$1,724,438	\$1,500,000
2004	\$9,271,627	2.1789	\$20,201,947	\$1,278,143	8.536%	\$1,724,438	\$1,615,336
2005	\$9,271,627	2.1789	\$20,201,947	\$1,278,143	8.536%	\$1,724,438	\$1,615,336
2006	\$9,939,424	2.1789	\$21,657,010	\$1,278,143	8.536%	\$1,848,642	\$1,615,336
2007	\$9,939,424	2.1789	\$21,657,010	\$1,278,143	8.536%	\$1,848,642	\$1,739,540
2008	\$9,939,424	2.1789	\$21,657,010	\$1,278,143	8.536%	\$1,848,642	\$1,739,540
2009	\$10,658,568	2.1789	\$23,223,954	\$1,278,143	8.536%	\$1,982,397	\$1,739,540
2010	\$10,658,568	2.1789	\$23,223,954	\$1,278,143	8.536%	\$1,982,397	\$1,873,294
2011	\$10,658,568	2.1789	\$23,223,954	\$1,278,143	8.536%	\$1,982,397	\$1,873,294
2012	\$11,433,008	2.1789	\$24,911,381	\$1,278,143	8.536%	\$2,126,436	\$1,873,294
2013	\$11,433,008	2.1789	\$24,911,381	\$1,278,143	8.536%	\$2,126,436	\$2,017,333
2014	\$11,433,008	2.1789	\$24,911,381	\$1,278,143	8.536%	\$2,126,436	\$2,017,333
2015	\$12,266,995	2.1789	\$26,728,556	\$1,278,143	8.536%	\$2,281,550	\$2,017,333
2016	\$12,266,995	2.1789	\$26,728,556	\$1,278,143	8.536%	\$2,281,550	\$2,172,447
2017	\$12,266,995	2.1789	\$26,728,556	\$1,278,143	8.536%	\$2,281,550	\$2,172,447
2018	\$13,165,108	2.1789	\$28,685,454	\$1,278,143	8.536%	\$2,448,590	\$2,172,447
2019	\$13,117,052	2.1789	\$28,580,744	\$1,278,143	8.536%	\$2,439,652	\$2,339,488
2020	\$13,117,052	2.1789	\$28,580,744	\$1,278,143	8.536%	\$2,439,652	\$2,330,550

Exhibit T assumes construction/rehabilitation of the improvements described in the attached Redevelopment Agreement.

NPV@10%=
\$12,700,000

\$35,048,891

EXHIBIT U

Public Benefits

The Developer Parties shall provide the following public benefits, which shall be required through the TIF Expiration Date:

- (1) install and maintain a permanent public gallery on the second floor corridor of the Tree Studios Building, which will display a history of the Tree Studios/Medinah Temple complex, including the organ's history and prominence, and art from Tree Studios' artists;
- (2) make a good faith effort to lease space for an art school in the Tree Studios Building or Unit Building;
- (3) arrange with groups such as CAF for periodic public tours of the buildings comprising the Project, provided such tours are made in consultation with on-site tenant management, are made during normal tenant hours of operation and do not materially interfere with any tenant's business operations;
- (4) install and maintain as a publicly-accessible open space a well-landscaped courtyard on the Property, which shall be open during the hours that Bloomingdales and other retailers adjoining the courtyard are open for business; and
- (5) allow the Organ Historical Society to photograph the organ before and during its removal.

LIMITED JOINDER

This Limited Joinder is made as of this 6th day of April, 2001 by and between the City of Chicago, an Illinois municipal corporation, acting by and through its Department of Planning and Development, its successors and assigns (the "City") and Bloomingdale's, Inc., an Ohio corporation ("Bloomingdales"), and is attached to and forms a part of that certain Medinah Temple/Tree Studios Redevelopment Agreement dated April 6, 2001 (the "Agreement"), by and between the Developer Parties and the City. Capitalized terms not defined herein shall have the meaning given in the attached Agreement.

RECITALS

A. Bloomingdales and the Medinah Temple Owner have previously entered into the Bloomingdales Lease.

B. The Developer Parties and the City are simultaneously herewith executing the Agreement, pursuant to which the City will provide the Medinah Temple Owner with City Funds to acquire the Medinah Temple Property. The Medinah Temple Owner will thereafter restore the exterior of the Bloomingdales Property. Such acquisition and restoration are necessary conditions precedent to the commencement of the Bloomingdales Lease, subject to the terms and conditions contained therein and herein. The City is entering into the Agreement on the express condition that Bloomingdales execute this Limited Joinder.

C. Bloomingdales has voluntarily agreed to execute this Limited Joinder because the Medinah Temple Owner's acquisition of the Medinah Temple Property and restoration of the exterior of the Bloomingdales Property are necessary conditions precedent to the commencement of the Bloomingdales Lease, from which Bloomingdales will receive substantial economic benefits.

AGREEMENTS

NOW, THEREFORE, in consideration of the recitals set forth above, the economic benefits to be received by Bloomingdales from the Bloomingdales Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bloomingdales hereby agrees as follows:

1. Recitals and Defined Terms. The above recitals are incorporated herein by reference and constitute a material part of this Limited Joinder.

2. Bloomingtondales Lease Representations, Warranties and Covenants. Bloomingtondales represents, warrants and covenants, as of the date hereof and during the time period ending on the Opening Date as follows:

(a) assuming the due authorization and execution of the Bloomingtondales Lease by the Medinah Temple Owner, the Bloomingtondales Lease is valid and binding as to Bloomingtondales and is unmodified (or if modified, is modified only by amendments, copies of which have been provided to DPD) and is in full force and effect;

(b) except for the Bloomingtondales Lease, there are no binding agreements (written or oral) between the Developer Parties or their Affiliates and Bloomingtondales which, taken as a whole, materially affect the economic relationship between the Developer Parties and Bloomingtondales with respect to the Property or the Bloomingtondales Lease;

(c) Bloomingtondales has delivered (and will deliver) to the City copies of any written notices delivered by Bloomingtondales to the landlord under the Bloomingtondales Lease alleging or asserting either (i) that the Medinah Temple Owner, as landlord, is in default under the Bloomingtondales Lease or that an event has occurred and or a condition exists which, with the giving of notice, or the lapse of time, or both, would constitute such a default, or (ii) that it has current defenses, counterclaims, liens or claims of offset or credit under, or claims or currently exercisable termination rights under the Bloomingtondales Lease against the Medinah Temple Owner, as landlord; and

(d) Bloomingtondales has performed all of its current obligations under the Bloomingtondales Lease.

3. General Agreement Representations, Warranties and Covenants. Bloomingtondales represents, warrants and covenants as of the date hereof, and during the time period ending on the Opening Date, or such longer period as may be expressly provided for in a subsection of this Section 3:

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

(b) Bloomingtondales has the right, corporate power and authority to enter into, execute, deliver and perform its obligations under this Limited Joinder;

(c) the execution, delivery and performance by Bloomingdales of its obligations under this Limited Joinder has been duly authorized by all necessary corporate action, and does not violate its Articles of Incorporation or by-laws , as the same may have been amended and supplemented, nor any applicable provision of law, nor does it constitute a breach of, default under or require any consent under any agreement, instrument or document to which Bloomingdales is now a party or may become bound;

(d) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, or, to Bloomingdales' actual knowledge, threatened or affecting Bloomingdales which would materially impair its ability to perform under this Limited Joinder;

(e) Bloomingdales will obtain all government permits, certificates and consents necessary to conduct its business at the Bloomingdales Property and to construct, complete and operate the Bloomingdales Project (except such permits or certificates as may be the landlord's responsibility under the Bloomingdales Lease);

(f) Bloomingdales will not permit any liens or encumbrances affecting either Bloomingdales' leasehold interest in the Medinah Temple Property or its fee simple determinable interest in the Medinah Temple Building to be enforced during the Term of the Agreement in such as way as to impair the priority or enforceability of the covenants that run with the land identified in Section 7.02(b) of the Agreement without the prior written consent of the Commissioner of DPD, which shall be in the Commissioner's sole discretion;

(g) Bloomingdales 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 Bloomingdales in violation of Chapter 2-156-120 of the Municipal Code of the City;

(h) after Bloomingdales's receipt of all required building permits and governmental approvals, Bloomingdales shall complete the Bloomingdales Project in accordance with the applicable provisions of the Agreement and all Exhibits attached hereto, the TIF Ordinances, the Redevelopment Plan, the Bloomingdales Plans and Specifications, and the Bloomingdales Project Budget and all amendments thereto provided, that upon the issuance of a Bloomingdales Certificate, the covenants set forth in this Section 3(h) shall be deemed to have been fulfilled;

(i) the Bloomingdales Project is and for so long as neither the Bloomingdales Lease nor this Agreement has expired or been terminated, shall be in compliance with all of the terms of the Redevelopment Plan; provided that nothing in this Section 3(i) or elsewhere in this Limited Joinder (except in the first sentence of Section 4) or the Agreement shall be construed to imposed upon Bloomingdales an operating covenant, a breach of which would give the City a remedy against Bloomingdales;

(j) Bloomingdales shall, at the request of the City during the Term of the Agreement, agree to any reasonable amendments to the Agreement and this Limited Joinder that are necessary or desirable in order for the City to issue any TIF Bonds or other bonds in connection with the Project or the Area; provided, however, that any such amendments shall not have a material adverse effect on Bloomingdales or the Bloomingdales Project. Bloomingdales shall cooperate and provide reasonable assistance in connection with the marketing of any such bonds, including but not limited to providing written descriptions of the Bloomingdales Project and providing factual information to assist the City in preparing an offering statement with respect thereto;

(k) Bloomingdales covenants and agrees to abide by, and to contractually obligate and use reasonable efforts to cause the Bloomingdales General Contractor to abide by and to cause each of its subcontractors to abide by the terms set forth in Section 10 of the Agreement;

(l) Bloomingdales shall submit, and shall contractually obligate and use reasonable efforts to cause the Bloomingdales General Contractor to submit and to contractually obligate its subcontractors to submit until the issuance of a Bloomingdales Certificate, to DPD, from time to time, statements of their respective employment profiles with respect to the Bloomingdales Project, upon DPD's request;

(m) Bloomingdales covenants and agrees to pay, and to contractually obligate and cause the Bloomingdales General Contractor to pay and to contractually obligate each of its subcontractors to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Bloomingdales Project construction 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 contracts. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, Bloomingdales shall provide the City with copies of all such contracts to evidence compliance with this Section 3(m);

(n) Unless DPD shall have given its prior written consent with respect thereto, and except (i) as explicitly disclosed in the Bloomingdales Project Budget, and (ii) with respect to interior design work, architectural and engineering work and construction supervision work to be performed by "in-house" Bloomingdales or Federated Corporate Services, Inc. employees, neither Bloomingdales nor any Affiliate may receive, directly or indirectly, any payment for work done, services provided or materials supplied in connection with the Bloomingdales Project. The preceding limitation shall apply only to construction costs related to the Bloomingdales Project. Bloomingdales shall provide information with respect to any entity receiving, directly or indirectly, any such payment upon DPD's request, prior to any disbursement of City Funds or otherwise;

(o) Pursuant to Section 5/11-74.4-4(n) of the Act, Bloomingdales 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 Bloomingdales Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or Bloomingdales 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 Bloomingdales business (except as a holder of publicly-traded shares of Federated Department Stores, Inc., or warrants or options relating to such shares), the Property or any other property in the Redevelopment Area (excluding property used exclusively as a principal residence);

(p) Bloomingdales' outside counsel has no direct or indirect financial ownership interest in the Property or any other aspect of the Project;

(q) Bloomingdales, at its own expense (or, with respect to coverages required to be carried by other parties, such other parties' expense) for so long as neither the Bloomingdales Lease nor this Agreement has expired or been terminated, shall comply with all insurance provisions of Section 12 of the Agreement with respect to Bloomingdales (provided that Bloomingdales may elect to self-insure or insure with a "blanket policy" with respect to one or more of the required coverages, in whole or in part);

(r) Except for the Permitted Liens and costs or charges (including any Non-Governmental Charge) which the landlord under the Bloomingdales Lease is responsible for paying, for so long as neither the Bloomingdales Lease nor this Agreement has expired or been terminated, Bloomingdales agrees to pay or cause to be paid

when due any Non-Governmental Charge assessed or imposed upon the Bloomingdales Project, the Bloomingdales Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Bloomingdales 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. Bloomingdales 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. Bloomingdales shall have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property, or any portion thereof (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Bloomingdales's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 3(r)); or

(ii) to furnish security in the form of a written undertaking by Bloomingdales 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, or the preservation of the encumbrance of the Agreement and this Limited Joinder, during the pendency of such contest, which undertaking shall include a commitment to pay fully any such contested Non Governmental Charge and all interest and penalties upon the adverse determination of such contest;

(s) the Bloomingdales Project is and for so long as neither the Bloomingdales Lease nor this Agreement has expired or been terminated, shall be in compliance with the Planned Development and all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Bloomingdales Project and the Bloomingdales Property. Upon the City's request, Bloomingdales shall provide evidence reasonably satisfactory to the City of such compliance.

(t) the owner of the Bloomingdales Property shall pay or cause to be paid when due all Governmental Charges (as defined below)

which are assessed or imposed upon Bloomingdales (as owner of the Bloomingdales Property), the Bloomingdales Property or the Bloomingdales Project, or become due and payable during the Term of the Agreement, and which create, may create, or appear to create a lien upon all or any portion of the Bloomingdales Property or the Bloomingdales Project, excluding, however, costs or charges which the landlord under the Bloomingdales Lease is responsible for paying. "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 Bloomingdales, the Bloomingdales Property or the Bloomingdales Project. The owner of the Bloomingdales Property shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of any portion of the Bloomingdales Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the covenant to pay any such Governmental Charge at the time and in the manner required by law and provided in this Limited Joinder unless the owner of the Bloomingdale Property has given prior written notice to DPD of its intent to contest or object to a Governmental Charge and, unless,

(i) the owner of the Bloomingdales Property shall demonstrate to DPD's reasonable satisfaction that legal proceedings instituted by such owner 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 Bloomingdales Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(ii) the owner of the Bloomingdales Property shall furnish security in the form of a written undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of any portion of the Property or prevent the imposition of such lien during the pendency of such contest, which undertaking will include a commitment to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

If, after the completion of any contest or objection of a Governmental Charge resulting in an adverse determination against the owner of the Bloomingdales Property, such owner fails to pay any Governmental Charge or to obtain discharge of the same, such owner 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 owner of the Bloomingdales Property under this Limited Joinder, 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 reimbursed to DPD by the owner of the Bloomingdales Property. Notwithstanding anything herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge.

Bloomingdales, as the the initial owner of the Bloomingdales Property, agrees that (A) for the purpose of this Limited Joinder, the total projected minimum assessed value of the Project that is necessary to support the debt service indicated ("Minimum Assessed Value") is shown on Exhibit T attached hereto and incorporated herein by reference for the years noted on Exhibit T; (B) Exhibit T sets forth the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Project for the years shown are fairly and accurately indicated in Exhibit T.

With respect to the Project, of which the Bloomingdales Property is a part, neither Bloomingdales nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Bloomingdales shall, during the Term of the Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

Neither Bloomingdales nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Bloomingdales shall, during the Term of the Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of the Project below the amount of the Minimum Assessed Value as shown in Exhibit T for the applicable year; provided, however, that the owner of the Bloomingdales Property and the Developer Parties may submit for review and approval by the Commissioner of DPD a schedule allocating, as between the Developer Project and the Bloomingdales Project, a minimum assessed value for each such portion of the Project, which minimum assessed values shall, in aggregate, be equal to or greater than the Minimum Assessed Value shown in Exhibit T. If the

Commissioner of DPD approves such an allocation schedule, Section 8.19 of the Agreement and this Section 3(t) shall be construed to be applicable based on the approved allocation schedule.

Neither Bloomingdales nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Bloomingdales shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Project up to (but not above) the Minimum Assessed Value as shown in Exhibit T.

Bloomingdales agrees that the restrictions contained in this Section 3(t) shall be covenants running with the land and shall be recorded by the Developer Parties as a memorandum thereof, at the Developer Parties' expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon Bloomingdales and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, through the TIF Expiration Date. Bloomingdales agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Bloomingdales Property from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 3(t) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Bloomingdales, its successors or assigns, may waive and terminate the covenants and agreements set forth in this Section 3(t), including, without limitation, in connection with the issuance of TIF Bonds.

(u) In addition to the insurance required pursuant to Section 12 of the Agreement, Bloomingdales shall procure and maintain the following insurance during the Term of the Agreement provided, however, that Bloomingdales may self-insure or insure under a "blanket policy" one or more of the required coverages in whole or in part:

(i) During construction of the Bloomingdales Project, All Risk Property Insurance in the amount of the full replacement value of the Bloomingdales Project; and

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

(v) Bloomingdales acknowledges (A) receipt of a copy of Section 2-156-030(b) of the Municipal Code of Chicago, (B) that it 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 the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030(b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Limited Joinder may be grounds for termination of this Limited Joinder and the transactions contemplated hereby. Bloomingdales hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-145-030(b) has occurred with respect to this Limited Joinder or the transactions contemplated hereby.

(y) Bloomingdales hereby certifies to the City that it has sufficient funds to complete the Bloomingdales Project.

4. Bloomingdales Opening. Bloomingdales covenants that on the Opening Date, Bloomingdales shall open for business to the public, fully stocked and staffed, employing at least 85 FTEs at the Bloomingdales Property. After initial compliance with this opening covenant, Bloomingdales shall have no obligation to operate continuously or after the Opening Date.

5. Historic Preservation Covenants. During the Term of the Agreement, the owner of the Bloomingdales Property shall (a) comply with the historic preservation covenant set forth in Section 8.22 to the extent such covenant establishes requirements applicable to the exterior and interior of the Medinah Temple Building (but specifically excluding, however, any work required to be performed by the Developer Parties under the Bloomingdales Lease or as part of the Medinah Temple Project).

6. No Waiver of Other Requirements. Nothing in the Agreement or this Limited Joinder is intended to nor shall be construed to waive or modify any legal requirements applicable to the Medinah Temple Property or the Medinah Temple Building under the Planned Development, or under any applicable City, State or federal landmark or historic preservation laws, or under other legal requirements of general applicability.

7. Survival of Covenants. All warranties, representations, covenants and agreements of Bloomingdales contained in the Agreement and incorporated herein and in this Limited Joinder shall

survive the execution, delivery and acceptance hereof by the parties hereto. Construction-related obligations (which include Sections 3(k), (l), (m) and (n) shall terminate pursuant to Section 7.02 upon the issuance of a Bloomingdales Certificate. Thereafter, the other Bloomingdales obligations, representations, warranties, covenants and agreements shall be in effect through the earlier of (i) the Tenth Anniversary Date, or (ii) such other period as may be expressly provided therein or herein. In addition, and notwithstanding the preceding sentence, Bloomingdales's indemnification, defense and hold harmless obligations in Section 9 below shall survive the Term of the Agreement.

8. Acknowledgments and Agreements. Bloomingdales acknowledges and agrees as follows:

(a) Each of the representations, warranties and covenants applicable to Bloomingdales set forth in this Limited Joinder is a material inducement to the City's execution of the Agreement.

(b) Bloomingdales has been provided with a copy of the Agreement and this Limited Joinder prior to the date hereof, has had opportunity for legal counsel to review it, and is familiar with its terms and conditions, and agrees to abide by its obligations under this Limited Joinder and the provisions of the Agreement (including defined terms) expressly incorporated herein.

(c) With respect to the Bloomingdales Project, Bloomingdales agrees to perform and observe those obligation set forth in Sections 3.01(b), 3.02, 3.03(d), 3.04, 3.06, 3.07 (as to progress and MBE/WBE, City residency and prevailing wage reports), 6.01, 6.02, 6.04, 6.05, 7.02(b), 8.02, 8.21 (item 3 on Exhibit U and the second paragraph), and 18.19. With respect to the Bloomingdales project, Bloomingdales further agrees to satisfy the conditions precedent set forth in Sections 5.01, 5.02, 5.03, 5.08, 5.09, 5.10, 5.12, 5.14 and 5.16 of the Agreement. Bloomingdales shall also be afforded the benefit, if applicable, of Section 18.17 of the Agreement.

9. General Indemnity. Bloomingdales ("Indemnifying Party") 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 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 third party actions against the City in connection with:

(i) the Indemnifying Party's failure to comply with any of the terms, covenants and conditions contained within this Limited Joinder; or

(ii) the Indemnifying Party's failure to pay all amounts due and owing its general contractor, or its general contractor's failure to pay subcontractors or materialmen in connection with the Project; or

(iii) the Indemnifying Party's making of any material misrepresentation or omission in this Limited Joinder any offering memorandum or information statement or any other document related to this Agreement that is the result of information supplied or omitted by the Indemnifying Party, its Affiliate, or any agents, employees, contractors or persons acting under the control or at the request of the Indemnifying Party or any Affiliate thereof; or

(iv) the Indemnifying Party's failure to cure any misrepresentation in this Limited Joinder or any other agreement relating hereto;

provided, however, that the Indemnifying Party shall have no obligation to an Indemnitee arising from the wanton, willful or intentional misconduct, any negligence or any violation of the Act by that Indemnitee or acts or omissions by one or more Developer Parties. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, the Indemnifying Party 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 9 shall be in effect throughout the Term of the Agreement. The Indemnifying Party may apply any applicable insurance proceeds that it has received against any amounts due under this Section 9 but any shortfall in such proceeds shall not release the Indemnifying Party from payment of any additional amounts that may be due and not covered by insurance proceeds.

10. Books and Records. Bloomingdales, through the Fifth Anniversary of the issuance of the Bloomingdales Certificate, shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Bloomingdales Project, the disposition of all funds from whatever source allocated thereto, the direct or indirect receipt of additional funds, as contemplated by Section 4.03, and to monitor the Bloomingdales Project. All such books, records and other documents, including but not limited to the loan

statements, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Bloomingdales Chicago office for inspection, copying, audit and examination by an authorized representative of the City, at the expense of Bloomingdales upon reasonable prior notice to the City. Bloomingdales shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Bloomingdales with respect to the Bloomingdales Project. Upon three (3) business days' notice, any authorized representative of the City shall be permitted access to all portions of the Bloomingdales Project and the Bloomingdales Property during normal business hours through the TIF Expiration Date. No such inspection shall materially interfere with any tenant's business operations.

11. Bloomingdales Events of Default. The occurrence of any one or more of the following events, which is not cured within the cure or dismissal period specified below (if any) shall constitute a default (a "Bloomingdales Event of Default") entitling the City to exercise the applicable remedies described in Section 13:

(a) the failure of Bloomingdales to perform, keep or observe any of the material covenants, conditions, promises, agreements or obligations of Bloomingdales under this Limited Joinder that is not cured within the period provided for in Section 12;

(b) the making or furnishing by Bloomingdales to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Limited Joinder, the Bloomingdales Lease or any material related agreement with the Developer Parties which is untrue or misleading in any material respect that is not cured within the period provided in Section 12 (or, in the case of other material agreements, in such other agreement, whichever is longer)

12. Cure Period. In the event that Bloomingdales breaches or defaults under any representation, warranty, covenant or other obligation which Bloomingdales is required to perform under the Agreement or this Limited Joinder, a Bloomingdales Event of Default shall not be deemed to have occurred unless Bloomingdales fails to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default. If such a Bloomingdales Event of Default cannot be cured within thirty (30) days, and Bloomingdales has commenced to cure such Bloomingdales Event of Default within such initial cure period and thereafter diligently prosecutes such cure to completion, then Bloomingdales shall have up to an additional ninety (90) days time to cure such Bloomingdales Event of Default.

13. Remedies. If a Bloomingdales Event of Default occurs, the City shall have the following rights and remedies depending on the nature of such default. If more than one Bloomingdales Event of Default exists, then the City will have the right to exercise the remedies applicable to each such default.

(a) if Bloomingdales fails to complete the Bloomingdales Project, the City shall have the rights and remedies in Section 7.03(b) of the Agreement;

(b) if Bloomingdales, its successors or assigns fails to pay any Governmental Charges and the City, pursuant to Section 3(t), elects to pay such charges, the City may recover any amounts paid by the City pursuant to such section;

(c) if Bloomingdales, its successors or assigns fails to comply with Section 5 of this Limited Joinder, the City may seek such injunctive relief, specific performance or such other equitable relief as may be available and, in addition, may seek monetary damages in an amount sufficient to repair, restore or replace any exterior or interior features of the Bloomingdales Property that were not maintained in accordance with Section 8.22 and Exhibit D; and

(d) for any other breach or default, the City may, in any action or proceeding at law or in equity, pursue and secure any available remedy provided for under this Agreement or the Limited Joinder, including, but not limited to, injunctive relief, specific performance or such other equitable relief as may be available, provided that the City may not seek equitable relief of any kind with respect to a breach of Section 4 of this Limited Joinder.

The remedies set forth in this Section 13 constitute a material part of the City's bargained-for consideration, and represent a material inducement to the City's execution of this Agreement. Bloomingdales acknowledges and agrees that such remedies are reasonable and not penal in nature and that, but for such remedies, the City would not have agreed to execute the Agreement.

14. Subordination. Notwithstanding Bloomingdales acquisition of a fee simple interest in the Medinah Temple Building or anything in the Bloomingdales Lease to the contrary, the covenants identified in Section 7.02 of the Agreement and in this Limited Joinder as running with the land (and incorporated herein by reference) (the "City Encumbrances") shall, upon the recording of the Agreement, encumber Bloomingdales fee simple determinable interest in the Medinah Temple Building and be superior to

Bloomington's rights under the leasehold estate created by the Bloomington Lease, notwithstanding that the Bloomington Lease may have been entered into and record notice thereof recorded prior to the recording of the Agreement and this Limited Joinder. Bloomington hereby (a) acknowledges such City Encumbrances as an encumbrance on its fee simple determinable interest, binding upon any transferee of the Medinah Temple Building for the applicable period provided for in the Agreement and this Limited Joinder, and (b) subordinates its leasehold estate to such City Encumbrances. Notwithstanding such subordination, nothing in the Agreement or this Limited Joinder creates, nor shall be deemed to create, either (a) a City lien or encumbrance capable of being legally foreclosed or otherwise enforced under any applicable Illinois law so as to divest Bloomington of its fee simple determinable interest in the Medinah Temple Building or extinguish Bloomington's rights as tenant under the Bloomington Lease, or (b) any City right to terminate the Bloomington Lease or to otherwise disturb Bloomington's right of possession as fee simple determinable owner of the Medinah Temple Building and tenant under the Bloomington Lease.

15. Notices. All notices and communications concerning this Limited Joinder shall be sent and deemed to have been received as described in Section 17 of the Agreement.

16. Amendment. This Limited Joinder may not be altered, amended, changed or modified in any respect without the written consent of both the City and Bloomington. Bloomington acknowledges that the City shall have the unilateral right to amend Exhibit A (the legal description for the Area) and Exhibit D (the Plan) to the Agreement, provided, however, that any such amendments shall not have a material adverse effect on Bloomington or the Bloomington Project.

17. Assignment. Prior to the issuance of a Certificate for the Bloomington Project, Bloomington may not assign its obligations under the Agreement or this Limited Joinder without the prior written consent of the City, which consent shall be the City's sole discretion. After the issuance of such Certificate Bloomington may assign its obligations under the Agreement or this Limited Joinder without the prior written consent of the City. Any such assignee shall be subject to the City Encumbrances and the City's exercise of any remedies specified in Section 13 of this Limited Joinder applicable to a default with respect to such City Encumbrances even if it does not execute a written assumption agreement.

18. Successors and Assigns. This Limited Joinder shall inure to the benefit of and be binding upon the City and Bloomingdales and their respective permitted successors and permitted assigns.

19. No Third Party Beneficiary. This Limited Joinder is for the sole and exclusive benefit of the City and Bloomingdales. No other person or entity is an intended third party beneficiary of this Limited Joinder or shall have the right to enforce any of the provisions of this Limited Joinder. Nothing contained in this Limited Joinder may be construed to create or imply any partnership, joint venture or other association between the City and Bloomingdales. The City acknowledges and agrees that Bloomingdales is and shall be a third party beneficiary of the Agreement.

20. Headings. The section headings contained herein are for convenience only and are not intended to limit, expand or modify the provisions of such sections.

21. Counterpart Execution. This Limited Joinder may be executed in multiple counterparts, the signature pages of which, taken together, shall constitute an original execution copy.

22. Authority. The person signing this Limited Joinder on behalf of Bloomingdales certifies that he or she has the power and authority to enter into and execute this Limited Joinder.

23. Definitions. Capitalized terms not otherwise defined in this Limited Joinder shall have the meaning set forth in the Agreement.

24. No Modification Of Bloomingdale's Lease. Nothing in the Agreement or in this Limited Joinder is intended to nor shall be construed to modify or alter the rights and obligations of the Medinah Temple Owner and Bloomingdales, as between such parties, under the Bloomingdales Lease, as such rights and obligations may be set forth in the Bloomingdales Lease.

IN WITNESS WHEREOF, Bloomingdales and the City have executed this Limited Joinder effective as of the date of the attached Redevelopment Agreement.

BLOOMINGDALE'S

BLOOMINGDALE'S, INC.,
an Ohio corporation

By: _____
Name: _____
Its: _____

CITY

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

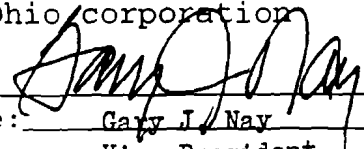
By: 
Alicia Mazur Berg
Commissioner

0010281753

IN WITNESS WHEREOF, Bloomingdales and the City have executed this Limited Joinder effective as of the date of the attached Redevelopment Agreement.

Bloomingdales

BLOOMINGDALE'S, INC.,
an Ohio corporation

By: 
Name: Gary J. Nay
Its: Vice President

CITY

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

By: _____
Commissioner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

0010281753

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

GIVEN under my hand and official seal this 6th day of _____, 2001.



Dionisia Leal
Notary Public

